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NOTES FOR A SPEECH BY
THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J. MACEachEN,
TO THE WINNIPEG C. I. I. A.,
THURSDAY, JANUARY 23, 1975

"CANADA-USA RELATIONS"





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Mr. Chairman, Ladies and Gentlemen,

Let me say, at the outset of my remarks, how pleased I am to have the opportunity to speak to this particular gathering. This is my first speaking engagement in Winnipeg as Secretary of State for External Affairs, and it is gratifying to have as my audience members and friends of the Winnipeg Branch of the Canadian Institute of International Affairs. It would be hard to imagine a more appropriate group with whom to discuss one of the most important themes of Canadian foreign policy, namely, Canada-United States relations.

Before I take up my subject I would like to take a brief look first at our overall approach to external relations. This will help to put our examination of Canada-United States relations in its proper perspective.

In 1970 the Canadian Government carried out a comprehensive review of foreign policy, the first such examination since the early postwar years. One of the most important conclusions of the review is that foreign policy is an extension abroad of domestic policy. The objectives of foreign policy must be relevant to Canadian national needs and interests if it is to attract the support of the Canadian people.

Linked with this conclusion are two major points of concern. One is the question of maintaining national unity, an essentially internal problem but with important external implications. The other is the very complicated problem of living distinct from but in harmony with the world's most powerful nation, the United States. This problem is obviously external in nature but it has very important implications for the Canadian domestic scene. It involves our sovereignty and independence. A considerable degree of interdependence between Canada and the United States is inevitable and indeed mutually beneficial. But the problem is to manage the relationship in such a way as not to undermine Canadian national identity and independence.



Some basic facts of our situation reveal the magnitude of the problem for us. Canada-United States bilateral trade amounts to about \$40 billion per annum. The United States provides the market for 67% of our exports and supplies 69% of our imports. Canada takes 21% of United States exports and supplies 25% of United States imports. The United States market absorbs up to 35% of all the goods produced in Canada. By contrast Canada buys less than 2% of all goods produced in the United States. By the end of 1971 United States investors controlled 27% of the assets of all non-financial Canadian corporations. In some key industries the United States control is over 75%. Canadian direct investors in the United States own less than one half of one percent of United States corporate assets.

It was figures of this kind that had been with us for a long time that brought home to us the need to reconsider our relations with the United States in order that we Canadians might determine where we should be going. This process got under way at the beginning of the seventies. The economic measures adopted by the United States in August 1971 gave special urgency to this need. Consequently in 1972 we undertook a comprehensive reassessment of Canada-United States relations.

We considered three options:

- (1) maintenance of the status quo;
- (2) closer integration with the United States;
and
- (3) strengthening of the economy and other aspects of national life in order to secure our independence.

The decision was taken to adopt the Third Option. With it we have chosen to develop a comprehensive, long-term strategy intended to give direction to specific policies and programmes which will reduce Canadian vulnerability to the magnetic pull of the United States.

Before I discuss what steps we have taken so far to implement this decision I wish to deal with some of its implications. They have been discussed on previous occasions but their importance merits repetition. It does not entail isolationism or protectionism. On the contrary, it really means a greater involvement for Canada in the rest of the world. It is definitely not anti-American. The decision to adopt the Third Option was taken in the knowledge that our links with the United States represent our most important external relationship. The effect is to strengthen those links, by developing policies that contribute to Canadian maturity and self-confidence and thereby remove those irritations in Canada which could, if not dealt with, manifest themselves in anti-American feelings.

But what have we done so far to reduce Canadian vulnerability to continentalism? The logic of the situation suggested that we should diversify our interests, and deepen our relations with other countries, especially with those which, by virtue of their own power, could help to serve as counterweights to the pull of the United States. Canada does not have global responsibilities in the same sense as the United States but we do have world-wide interests and a growing capacity and need to promote these interests. We have, accordingly, sought to strengthen Canada's relations particularly with Europe and Japan.

There have been substantial contacts between Canadian and Japanese political leaders and officials across a wide range of fields - agriculture, science and technology, atomic power, minerals and energy. In 1973-74 our Foreign Ministers met twice, while in 1974 our Prime Ministers met in Paris and in Ottawa. The objective of all these activities was set out in the communiqué issued at the end of the last Prime Ministerial meeting in Ottawa in September. The Prime Ministers agreed that "Japan and Canada would make constant efforts to cultivate, expand and enrich further their cooperative relationship in political, economic, cultural, scientific and technological and other diverse fields thereby placing the relationship on an even broader and deeper basis".

E u r o p e i s t h e o t h e r p r i n c i p a l centre of gravity with which Canada hopes to strengthen relations. A concerted effort is being made to develop relations with the member countries of the Community and also with the Community as a distinct entity. Since 1972 there have been many exchanges at all levels between Canada, the Community and its member countries. These culminated in the visit of Prime Minister Trudeau to Paris and Brussels in October 1974. He will be returning to other European capitals in March of this year. One objective is to broaden and deepen our bilateral relations in as many fields as possible with these countries. Another objective is to negotiate some form of a contractual link between Canada and the Community. For our part, such an arrangement would constitute recognition of Canada as a distinct political, economic and social entity in North America. Links with the Community having a potential for development would help greatly to meet our objective of diversifying our involvement abroad.

But, having said all this, I must insist on one central point: our efforts to diversify our relations mean that we seek not to supplant but to supplement relations with the United States. Indeed, it is obvious that relations with the United States will remain the most important that this country possesses. Our purpose is to strengthen Canada in order to create a more balanced, a more reciprocal and thus a healthier relationship between two independent partners.

What we have witnessed since the early seventies has been the ending of one era and the beginning of a new period in Canada-United States relations. This change involved the ending of the "special relationship" between Canada and the United States. What are the factors that produced this change and what are the distinguishing characteristics of these two phases in Canada-United States relations?

The earlier period began with the Second World War and continued to the early seventies. It saw the United States and Canada thrust to the forefront of the world stage - the former as the leader of the West and the latter as an important military and political ally and economic power. This was a period of close political and military cooperation, and increasing

economic and cultural interaction. Cooperation in defence was marked by a series of agreements running from the 1940 Ogdensburg Agreement which established the Permanent Joint Board on Defence to the 1958 North American Air Defence Command Agreement which established an integrated anti-bomber system in response to the Soviet threat. In the economic field, the pull of continentalism was magnetic. There occurred that phenomenon with which we are all familiar - the rapid expansion in United States control and development of Canadian industry, particularly in the extractive industries like mining and petroleum. The cultural penetration of Canada through television, radio, films and publishing during this period was also heavy.

But while United States influence on so many aspects of Canadian life was growing during this period, changes in the international environment, within Canada and the Canadians' perceptions of their national identity and independence were also occurring. These developments were eventually to lead to a change in relations with the United States.

This new feeling of being Canadian is reflected very sharply in the economic field. The issue is our economic independence. I have already cited figures showing the degree to which we are dependent on the United States in trade and investment. A cross-section of various polls taken in 1972 indicated that 88.5 percent of Canadians thought it important to have more control over our economy and that two out of every three Canadians considered the then level of American investment in Canada as being too high. This growing pre-occupation with the economic vulnerability of Canada was greatly increased with the introduction of the United States economic measures of August 1971. Although global in impact, the effect in Canada was great, in part because of the high concentration of our trade with the United States and the affiliated structure of our industry. Clearly, no country, concerned with its independence, could accept passively a situation in which it found itself so exposed to a major and unexpected change in the terms of its economic relations with a powerful neighbour.

In the cultural field, there emerged a renewed concern for the development and preservation of our national cultural identity. Canadians became increasingly disturbed by the pervasive influence of American cultural penetration. At the same time we witnessed a burgeoning of activity in all the arts - theatre, literature, ballet, painting, and sculpture, films and music - that has been unparalleled in our national history. Winnipeg is one of the leaders in these cultural developments. They are a marvellous manifestation of the Canadian fact, and of our determination to establish our cultural identity and independence.

In the defence field, continuing improvements and technological changes in nuclear missile and radar detection systems tended to cause the Soviet bomber threat to North America to recede. Consequently, the momentum towards more closely integrated and structured defence arrangements abated and the relative importance of the Canada-United States defence relationship levelled off in the late sixties. Although circumstances are changing Canada remains committed to cooperation with the United States and to our NATO obligations and to the policy of collective security.

In the field of foreign affairs, Canada launched certain new initiatives. We moved to recognize China. In the new atmosphere of détente, we extended the range of our relations with the Soviet Union and Eastern Europe. As I have already indicated we sought new openings to Japan and to Western Europe. We also took fresh initiatives in dealing with such global problems as marine pollution and the law of the sea. In those various ways Canada responded to new realities in the international environment and to new perceptions of our national interest.

There have also been certain changes on the American side affecting Canada-United States relations of which we must take note.

The early seventies witnessed a major change in United States foreign policy, a shift from global leadership to a more diminished role in the international community. President Nixon's address to Congress in May 1973 on United States Foreign Policy for the 1970s took note of this change. He said:

"The American people had supported the burdens of global leadership with enthusiasm and generosity into the 1960s. But after almost three decades our enthusiasm was waning and the results of our generosity were being questioned. Our policies needed change, not only to meet new realities in the world but also to meet a new mood in America. Many Americans were no longer willing to support the sweeping range of our postwar role. It had drained our financial and especially our psychological reserves."

In short, President Nixon indicated that the time had come for others to share a greater portion of world leadership.

His statement also reflected the growing feeling of Americans that United States policies should serve more immediate and domestic interests. This feeling applies to Canada as well as to other nations. In the United States, a view has been taking hold that the "special relationship" has worked too often to Canada's advantage. They maintain that it has involved accommodations favourable to Canada that are no longer tenable in the light of current economic realities and in the light of the changing United States leadership role.

Linked with this change in external posture are changes in the domestic scene. There is increasing public concern with domestic issues as opposed to foreign problems. The long preoccupation with Watergate has passed and the United States Administration and Congress have begun to concentrate upon a broad range of domestic problems. Their priorities seem to lie in the direction of re-invigorating the economy, combatting inflation, and re-establishing a new sense of purpose and direction in the country. Faced with serious economic problems at home, it is almost inevitable that the Americans will tend to calculate their national

interest more narrowly in their foreign economic relations. The economic measures of August 1971 furnished one notable manifestation of this attitude. In addition, Canadians cannot forget that certain of the American domestic economic problems have, in our increasingly interdependent world, Canadian dimensions. Energy, natural resources and the environment are but three areas in which American efforts to meet their own needs can obviously impinge on Canadian interests. Consequently, the American preoccupation with their own domestic difficulties, has important implications for Canada, particularly at a time when we are defining our industrial and foreign investment policies.

The fact is that in both Canada and the United States there has been a growing awareness that the special relationship no longer serves either of our best interests. What is being developed is a more mature relationship. It is one which permits us to maintain close ties, to co-operate fully on bilateral and multilateral matters, is of mutual benefit and yet leaves each country free to pursue its national interest consistent with its international obligations.

It is plain that Canada and the United States have entered upon a new period in their bilateral relations. It is one in which the emphasis is on a clear-eyed appreciation of the national interest and in which there is no room for false assumptions or illusions. Each government will have to make hard decisions in line with its own perception of the national interest, decisions with which the other may find it difficult to concur.

On the oil export issue we feel we have demonstrated our willingness to assist the United States as far as possible consistent with our own national needs. There were strong objections from some quarters in the United States that American interests were being abused. But we could not be expected to sacrifice our own needs to meet the oil consumption requirements of the United States. I might add here that at least with respect to the oil pricing issue, recent United States action would appear to have gone a long way towards removing this irritant. Similarly, Canada's desire to develop mineral resources at her own pace and to encourage further processing before export is not necessarily in accord with American interests which appear to tend towards the rapid exploitation of known resources, accelerated exploration of new resources and increased imports of resources in their raw form.

Yet, the two countries are becoming increasingly interdependent and the issues between them accordingly greater in number and complexity. In these circumstances, relations are likely to become more, not less, difficult. As interaction increases, conflicts of interest and differences of view are bound to develop. Both governments are becoming increasingly involved in a wide range of domestic social and economic activities many of which turn out to have foreign policy implications. Two years ago federal financial assistance was extended under the DREE programme to the Michelin Tire Corporation to locate in Nova Scotia. This was regarded by many in the United States as an attempt to subsidize an export industry, and as a consequence the United States applied countervailing duties on this Canadian export. This is a striking example of how a domestic programme, in this instance one designed to remedy regional economic disparities, can become an issue in our relations with the United States.

Although this new period in our relations with the United States will be complex and at times difficult, our approach to it should be positive. The fact is that fundamentally the relationship is a healthy one. We must remember that Canada and the United States continue to share similar views, and cooperate closely, on a whole range of important international issues. Our perceptions of what the new political and economic international environment requires have many points in common. Also we are each other's best friend by choice and circumstance and we will remain so.

To respond to this new situation there is a new pattern developing in the management of our relationship which, in my view, will help to promote harmony and is in keeping with the new character of that relationship. It consists of analysis of the particular national interest to be served, followed by consultation, discussion or negotiation with a view to reaching a mutually acceptable settlement of the particular problem. One of the most important ingredients in this process is that of regular consultation and discussion.

In this connection I want to emphasize the importance of advance consultation. It seems to me that the sensible way of doing business is to notify the United States whenever possible of our intentions in advance of our taking major decisions on matters affecting United States interests and where appropriate to provide an opportunity for advance consultations. Naturally, we would expect the United States authorities to treat us in the same way whenever they are about to take action which would affect our interests. This practice corresponds to the more mature and complex stage that our relationship has now reached. It would help to diminish fears and misunderstandings on both sides. In short, it is an important way of keeping our relations with the United States in a healthy condition.

I would like to discuss briefly one outstanding issue between Canada and the United States which shows how our new relationship should be managed. It concerns a project of particular interest to this province - the Garrison Diversion Unit.

It involves, as you know, a huge complex of canals, dams and reservoirs designed to irrigate some quarter of a million acres in North Dakota with water from the Missouri River system. The problem for Canada arises from the fact that as envisaged at present the return flows from the irrigation project will drain primarily into the Souris River flowing northward into Canada and also into the Red River. The potential consequences of this are serious. We would be faced with increased flooding and with the prospect of large-scale pollution that would cause damage to health and property in Canada. Because of this Canada has raised objections to the project on the basis of the Boundary Waters Treaty of 1909 which provides that neither country will pollute waters flowing into the other to the injury of health or property.

Since 1969, the Governments of Canada and the United States as well as the Governments of Manitoba and North Dakota have exchanged information and held numerous discussions on the issue. We have particularly welcomed working closely with the Government of Manitoba on this subject and have appreciated the continuing support and participation of the Manitoba authorities in our dealings with the United States. I think that this issue provides an excellent illustration of federal-provincial co-operation in dealing with an international problem.

At the technical level, the enormous amount of information exchanged has meant that the Canadian authorities have been kept fully informed on all technical aspects of the project including its timetable and progress. The United States side has been kept fully informed of the technical analysis which supports the Canadian case against the project. At the political level the various exchanges have kept each side fully aware of the other's intentions, strategy and concerns.

What has been the value of this practice of regular consultation and exchange of information? It has allowed a fluidity of approach to the positions of both sides which has meant that the hardening of positions on considerations not central to the issue involved has been avoided. It has also precluded the kind of conflict that can arise when positions are taken on the basis of misinformation. The tactic of confrontation at the political level has been avoided. The political position of both parties depends on answers to highly technical questions of water quality, water management and agricultural techniques. If confrontational tactics had been indulged in, the whole issue could have escalated to the political level long before the essential technical work had been done and a political deadlock with little room for manoeuvre could have resulted. It is also worth noting that those portions of the project which directly affect Canada have not so far been constructed.

Another kind of issue on which some progress has to be made with the United States is the problem posed by the United States Trading With the Enemy Act and in particular the United States Cuban Assets Control Regulations administered under the Act. This Act which serves to deter Canadian companies which are subsidiaries of United States firms from conducting normal export business with Cuba clearly has extra-territorial effect. You will be aware of the recent cases illustrating this problem. Although Canada is not the only country affected, the extent of United States business interests in Canada makes it a particular factor in Canada-United States relations. Clearly Canada cannot accept extra-territorial application of the laws of any other nation.

This problem has been discussed periodically by successive Canadian and United States governments without a resolution satisfactory to Canada. If consultation is to be used in this instance, as I think it should be, it would be our objective that the outcome would be that the companies doing business in Canada would not be deterred by United States law or by corporate policy made in the United States from doing normal export business. Indeed I have initiated discussions with the United States authorities with a view to finding a satisfactory solution to this problem.

You will be aware that amendments to the Combines Investigation Act are currently before the House of Commons. When passed these amendments will enable the Restrictive Business Practices Commission to issue directives prohibiting Canadian companies from obeying foreign laws and orders.

It is our hope that this will solve a large part of the problem. What is needed, in addition, is a change in United States law and practice so that Canadian companies will be able to pursue normal export business in a manner consistent with Canadian law and policy.

To sum up, we are in a new stage in our relations with the United States. These relations are fundamentally sound but there can be no doubt that this new phase will be more difficult and complex. Hence the need for careful management of our relations by both parties is greater than ever. It is for this reason that I want to conclude with a strong plea for the merits of the consultative approach. For Canada, it is, after all, the only sensible way to conduct business with the United States, the first among all our partners.

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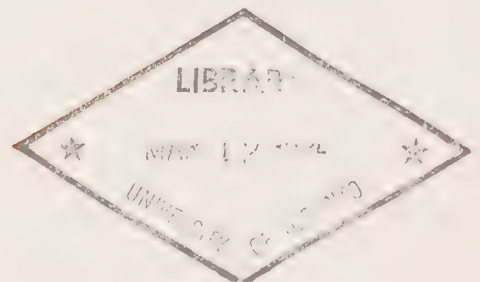
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STATEMENT BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
FEBRUARY 18, 1975

"DEVELOPMENTS IN CYPRUS"



The Canadian Government has learned with concern of the announcement last week by the Turkish-Cypriot administration of its intention to establish a separate, secular and federated state on the northern portion of the Island. As a major contributor to the UN's peacekeeping activities on Cyprus, Canada has sought to avoid taking sides on aspects of the dispute between the two communities. Instead, we have tried to encourage representatives of the communities to engage in meaningful negotiations from which a permanent and generally acceptable solution might emerge. Negotiations were initiated earlier this year but it is difficult to avoid the conclusion that they have received a serious setback by the recent unilateral action of the Turkish-Cypriot administration.

Since Canada has consistently supported the independence, sovereignty and territorial integrity of Cyprus, the Canadian Government has noted with satisfaction the Turkish-Cypriot statement that their action is not intended to constitute partition of the Island nor to create a separate independent state. It has also noted that the intercommunal talks have not been formally discontinued. In its Resolution 3212 of November 1, 1974, the UN General Assembly commended these talks and called for their continuation. It is our hope, therefore, that despite this latest complication the leaders of the two communities on the Island will pursue their efforts through negotiation to find a solution that will adequately take account of the legitimate interests of all elements of the Cyprus population.

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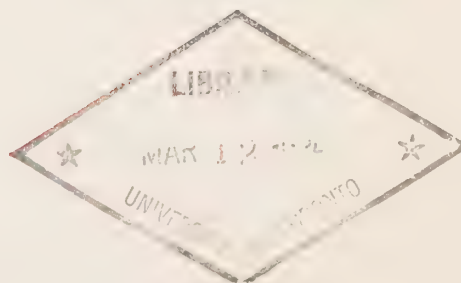
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SPEECH BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
TO THE FIFTH ANNUAL CONFERENCE
OF THE CANADIAN ASSOCIATION
OF AFRICAN STUDIES AT
YORK UNIVERSITY, TORONTO,
FEBRUARY 19, 1975

"CANADA AND AFRICA"



I am pleased to have this opportunity to speak to you on the subject of Canada and Africa.

One of the aims of my Department is to promote closer contact and dialogue between those who are looking at international affairs from the academic standpoint and those of us who have to make daily recommendations and decisions in this field. It is important for us to obtain and to be aware of different viewpoints in order to give our decisions the soundest possible basis. With this in mind, I would like to discuss tonight the basic principles motivating our policy towards Africa.

Our first concern regarding Africa is precisely the same as in every other area of the world, namely, the cultivation of mutually beneficial relations with the nations of the continent, who have undertaken to recast their ancient cultures in the framework of modern statehood. Of course the first prerequisite of fruitful interchange between nations is the maintenance of peace; and this is why the Canadian Government supports the general peacekeeping role of the United Nations and, as well, the work of the regional bodies directed toward the removal of sources of friction between African states.

Recent developments indicate that the impoverished and the deprived are not likely to remain for long in a peaceable frame of mind; their patience is wearing thin. Consequently there is a direct link between our concern for peace in Africa and our concern for social justice. The Foreign Policy Review of 1970 made social justice, along with peace and security, two of the most important of our six policy objectives. It also made it clear that social justice is to be pursued largely through development assistance. There are people who still question the wisdom of giving aid, in view of our own economic difficulties, not to mention some improvement in the incomes of some of those we are aiding. "What do we get out of this?" they ask. The answer to this is that in today's world we have no real alternative. To quote the report entitled *Partners in Development*, written by the Commission chaired by the late Lester B. Pearson --

" The simplest answer to the question is the moral one: that it is only right for those who have to share with those who have not."

This report adds:

" Even in the best conditions, development will be untidy, uneven and ridden with turmoil. Great forward movements in history usually are. The thing to remember is that the process, global in scope, and international in nature must succeed if there is finally to be peace, security and stability in the world. If the developed nations wish to preserve their own position in that world, they must play their full part in creating

a world order within which all nations, and all men, can live in freedom, dignity and decency. In short, we face an essential need and an unprecedented opportunity. International development is a great challenge of our age."

In the opinion of the Government of Canada, these words are even more convincing today than they were when they were written five years ago. And they underline our interest in partnership and co-operation with developing countries.

Our involvement in development assistance in Africa is substantial. This year we have allocated \$195 million of public funds for our bilateral programmes in the independent countries of Africa namely over 40% of our bilateral aid budget. Of this figure, about \$85 million took the form of grants and the rest that of concessional loans. We will also be providing almost \$60 million worth of food aid to Africa this year. An additional \$26 million has been channelled into Africa through multilateral agencies such as the UNDP, the World Bank, and the African Development Bank, as well as non-governmental organizations such as the World Council of Churches. I should like also to refer to the special assistance programme which we have undertaken in the Sahelian region of West Africa. This special programme provides for disbursements over the next five years of some \$230 million. These disbursements are certainly justified by the magnitude of the problems found in that region of Africa, most of which are directly related to the severe drought suffered there since 1968. Canada has tried to play its part in meeting the immediate needs of the people stricken by this drought. What remains to be done now is a long-term effort, aimed at finding and implementing permanent solutions, in co-operation with the other aid agencies to the severe setback the drought has meant for the development of the Sahel.

There is a third element, however, which has a special relevance to Africa. That is our concern for human rights and dignity and self-determination. For a quarter of a century successive Canadian Governments have condemned racial injustice and colonialism as they have been practised in Southern Africa. The situations prevailing in that area have in our opinion been totally unacceptable and an affront to the conscience of the world.

Sometimes our policies in this field have been dismissed by some critics as being mere rhetoric. But that is far from the case.

For example, we consider our bilateral aid programmes in the independent countries of Southern Africa such as Tanzania, Zambia, Malawi, Botswana, Lesotho and Swaziland show where we stand in relation to them and to the white-ruled minority regimes.

We have also channelled substantial sums into various multilateral institutions such as the United Nations and its specialized agencies and the Commonwealth Secretariat, which are carrying on humanitarian programmes in this area.

Finally, we have initiated a policy of expanded humanitarian assistance in Southern Africa. Funds are given in the form of matching grants to Canadian non-governmental organizations and international bodies which have existing projects of this kind in Southern Africa. Assistance is being provided, for example, to an educational and health centre in Lusaka, a health centre in the Chiweshe Reserve in Rhodesia, and for educational, medical and agricultural equipment in Angola and Mozambique. Our record for many years shows convincingly where we stand. We have condemned, and will continue to condemn racism and colonialism in Southern Africa.

Developments in Southern Africa during the last year give some hope that the situation may significantly improve. Events in the Portuguese territories have been so rapid and so dramatic. that they emphasize how unwise it is to be dogmatic. We are gratified and encouraged by the decolonization process undertaken by the Portuguese Government. Very few people foresaw such changes as have occurred in Guinea Bissau, Angola and Mozambique during the past year. No one can be certain what will be the situation in the remainder of Southern Africa one year from now. However, there are indications that the South African Government is seriously attempting to improve its relations with its neighbours by peaceful means. As part of this effort the South Africans appear to be pressing Ian Smith to seek a settlement of the Rhodesian problem with the African nationalists. We believe that, to some extent, these initiatives of the South African Government are a belated response to the pressures that Canada and other countries have exerted on South Africa. In our view, such pressures would have been less effective if we had chosen to have no truck or trade with the South Africans and severed our diplomatic relations with them, as some of our critics have suggested. We would hope, Moreover, that those efforts by South Africa to seek better external relations would be accompanied in the future by determined efforts to eliminate racial injustices at home.

As you know the broadening of Canada's African diplomacy is recent but has been quite rapid. It was not until 1957 that we established our first full-fledged diplomatic mission in Black Africa. Prior to that we had representation in South Africa and a trade office in what is now Zaire. There are now Canadian missions in the following countries of the Maghreb and Francophone Africa: Senegal, Ivory Coast, Cameroon, Zaire, Tunisia, Algeria and Morocco, as well as smaller offices in Niger, Mali and Upper Volta. In Commonwealth Africa, we have resident High Commissions in Nigeria, Ghana, Zambia, Tanzania and Kenya. Finally, we have Embassies in Ethiopia and South Africa. Most of these diplomatic missions are accredited to one or more other countries. In total we have resident or non-resident accreditation to every country of Africa with the single exception of Equatorial Guinea.

The majority of our External Affairs personnel in these posts are spending some of their time on development aid matters; in addition, there are 16 CIDA field representatives attached to these missions. About 850 Canadian experts are now in Africa on CIDA contracts of every conceivable type, and some 500 representatives of CUSO (Canadian University Services Overseas) and of its French-language equivalent, SUCO are posted in African countries. Another 50-odd Canadians are working in Africa on behalf of the Canadian Executive Service Overseas -- a very useful organization through which senior Canadians provide their expertise to the developing countries at minimal expense. In total, therefore, we have nearly 1,500 Canadians working on development in Africa.

The involvement of provincial governments is an interesting feature of the Canadian presence in Africa. They have already displayed their interest in the continent and their willingness to participate further in Canada's international development programmes. They possess important resources both technical and managerial and their support for Canada's aid programme in Africa is extensive. They work in close harmony with CIDA to recruit teachers and experts. Quebec is presently in the vanguard of this involvement, and participates with CIDA in four important projects in Africa. This demonstrates how all levels of government in this country can work together abroad.

I must point out however that most of our missions in Africa are still quite small; their staffs are hard-pressed to discharge their responsibilities, particularly in regard to countries of non-residence. For example, our ratio of aid supervisors to aid administered is far out of line with some other countries, particularly the United States. Moreover the responsibilities of our missions go well beyond administering aid. The number of Canadian visitors to Africa is rapidly increasing, with attendant consular problems. And with increasing visits of business men, technical experts and advisors, the question of trade and cultural exchange has taken on a new dimension.

Yet some people ask: "Why are we in Africa at all?" The short answer is that Canada cannot afford to isolate itself from what André Malraux has accurately described as one of the greatest events of the 20th century -- the emergence of hundreds of millions of Africans to self-government and independence. Canadians are an outward-looking people conditioned to be so because our very existence depends on the outside world; and when we look eastward we must look to Africa as well as Europe.

Our two official languages correspond to the two European languages used most frequently in Africa; the Government's language policy is a distinct asset in this continent; and I'm told that the bilingual nature of Canada is well reflected in the linguistic background of the young Canadians working there. I should add that Canada has achieved a fairly high level of technological competence; and technology is an essential ingredient of development.

Even if the passage of time has eased some of the post-independence strains between African states and their former colonial masters, there are still quite a few situations where governments would prefer to deal with a country like Canada that has no colonial past; and if I may add a personal note, I have the feeling that our response has not always met with the expectations of the Africans. As they say on Madison Avenue, we must try harder; and I intend to try harder.

I turn briefly to the wider political and cultural framework of Canada's African diplomacy.

Since the nineteen fifties Canadian participation in the United Nations and in the Commonwealth has been a basic element in our foreign policy; in the nineteen sixties la francophonie was added to this framework. The multilateral connections between Canada and the African states forged in these various bodies had the natural result of causing us to develop our bilateral relations with the countries involved.

Today our relations with Africa are perhaps entering a new phase. We must continue to support the three multilateral bodies I have mentioned. On the other hand, we cannot afford to regard the African states simply as emanations of some multilateral institutions of which we are both members.

The point I wish to make is that, in developing our policies, it is now essential for us to consider the particular needs, aspirations and circumstances of *each* of the African countries with whom we have diplomatic relations. We are now more aware than previously of the necessity of balancing our relationship with these countries by placing more emphasis on bilateral matters and looking at areas of mutual interest other than aid and technical co-operation. I'm thinking of general policy consultations, cultural affairs, and broader economic co-operation. This adjustment will require us to demonstrate both flexibility and imagination. In each case we will be required to estimate both our own resources and the particular problems of the individual African country concerned. It is only in this way that we will be better able to organize aid programmes, to expand business relations and to promote successfully those policies -- for example, in the environmental field and Law of the Sea -- which we Canadians regard as particularly important.

The furtherance of such bilateral relations is going to require more effort in Africa on our part than we have previously been able to make. But we must do this without in any way sacrificing the multilateral ties which have proven so valuable to Canada in the past and which we intend to continue to strengthen.

Obviously a balance must be struck in the scale of priorities on both sides and naturally such a balance is in fact struck by the daily process of diplomatic activity. Canadian interests in Africa would hardly be enhanced if our Government were to allow our relationship with the United States, Japan or Europe to deteriorate. In a very real sense it is the very robust network of relations -- political, economic, technical and cultural -- that Canada has developed with other industrialized countries which gives us the means to cultivate a more substantial rapport with the emerging states of the world, in Africa as elsewhere. But I foresee nothing in the future which is likely to lessen the Canadian presence in Africa. On the contrary, all present indications are that we must continue to increase our activity in this field, subject of course to the resource constraints. In this respect, I would certainly expect a substantial contribution from you -- particularly on the more fundamental forces that will orient Africa's growing participation in world affairs. It is no secret that ominous gaps are developing in certain areas between the developing nations and the developed world. Within the Third World itself, the world energy crisis has made the relatively wealthy states better off and the poorer peoples even poorer.

You have heard complaints that the Third World is becoming monolithic, that it is ganging up on the West, that it is developing a blind automatic majority in international agencies. Africa is often singled out in these criticisms, as the numerous African countries are an essential component of any such majority. Well, this trend is quite understandable when we remember the history and back ground of the African countries. Perhaps we should not be surprised that they are using the most compelling argument they have, which is their voting strength in the United Nations and other bodies. Africa must be heard.

But, international organizations, in their present set-up, are not parliamentary bodies; they are rather a forum for discussing various world issues and reaching decisions on a consensus basis if possible. Confrontation between rigid blocs would be sterile and even dangerous. Canada does not wish to be automatically assigned to some theoretical bloc. We regard this approach as simplistic and even harmful. It is a precarious world we live in and to such common enemies of disease, poverty and ignorance we run the risk of adding bristling suspicion and distrust.

If we are to progress through this difficult period in world history we will require good will, common sense and much greater knowledge of each other. Ignorance, is highly dangerous in this volatile international environment. It is certainly true that knowledge does not always bring wisdom, but we should strive to create a climate in which that essential quality can be nurtured.

There is some urgency, in my view, to expose and discuss more formally with African leaders the Canadian Government's views on these matters; even more urgent perhaps is that I, as Secretary of State for External Affairs, be briefed at the highest level on the approach of African governments to the second Special Session on Development of the United Nations' General Assembly next Fall. As you know, our Government found itself in a minority situation in the last Parliament; and the necessities of survival forced us to curtail drastically consultations with other governments. This situation has now been remedied, at least for a few years. Consequently, I am now making arrangements for a two-week tour of Western Africa in mid-April; and I am looking forward to this opportunity to acquire a first-hand knowledge of the countries along the Gulf of Guinea and of the drought-affected area of the Sahel. In view of the objectives of Canadian policy in Africa, I hope, in the course of this visit, to reinforce the ties that already link Canada to the independent countries of Africa, to take stock of what has been accomplished so far, and to explain Canadian policies in areas we consider vital.

In conclusion, I wish to emphasize that Canadians must not make the mistake of regarding the people of Africa simply as "underdeveloped" recipients of our economic aid. We must recognize that Africans have their own history, culture and religion; only by understanding and respecting their traditions can we benefit from their friendship. Conversely, Africans should recognize that Western countries also have their own past and their own social institutions, which are no less worthy of study for appearing somewhat puzzling to the ancient peoples of West Africa.

Much has been made, as you know, of tribalism in Africa and of the difficulties this social phenomenon presents for nation-building in the continent. But you, of all people, should have discovered that Canada is itself to some extent a nation of tribes. There are the English and French Canadian tribes, the Alberta tribe -- even my own Scottish Cape Breton tribe; but we prefer to call them language groups or provinces, or regions. And, of course, I don't have to tell you that interprovincial fights can sometimes be pretty rough! We have devised -- sometimes painfully -- in Canada a way to resolve these conflicts; we call it federalism and I think that Africans could perhaps gain from a closer study of this quite remarkable political system. In due course, I am quite confident that we, in Canada, will have something to learn from the way African states resolve various conflicts of interest between their own communities.

STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.



NOTES FOR A SPEECH BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
TO THE HALIFAX
BOARD OF TRADE,
HALIFAX, FEBRUARY 25, 1975

"LAW OF THE SEA"



The people of Canada, and especially we of Nova Scotia, have no difficulty understanding how important the sea is to our very existence. Much of our past is directly linked to the sea; the daily lives of many of us depend on the sea; a good part of our future will come from the sea. That is why the Third United Nations Conference on the Law of the Sea, deserves our full attention and our best efforts.

The new legal order which is being sought for the oceans of the world will undoubtedly affect Canada in many fundamental respects -- from the point of view of our natural resources, our environment and our national sovereignty. Canada's geography alone, with its thousands of miles of coastline, and islands, its huge continental shelf and northern climate, will cause us to feel the consequences of a new Law of the Sea perhaps more than anyone else.

I would like, therefore, to tell you how we, in the Canadian Government, see the present situation, how we envisage the development of this new Law of the Sea, what the prospects for success are and what the risks of failure are.

There was, as you all know, a first substantive session of the Law of the Sea Conference, last summer in Caracas. For ten weeks, 138 sovereign nations -- each with one vote, let me stress -- attempted to draft an all-encompassing convention to regulate all of man's activities in, below, and above the sea, that is, 70% of the earth's surface. Little wonder that they could not finish their immense task, even though preparations had been going on for six years in the United Nations Seabed Committee. Some observers were quick to conclude that Caracas had been a failure for the simple reason that not a single text was approved. That is, in my view, a simplistic judgement. It ignores the real nature of the conference -- its methods of work, its over-all objectives and, in a very real sense, the substantial progress made.

The conference has more than 100 major items and sub-items on its agenda. It must legislate on matters relating to the security and sovereignty of states, fisheries, mineral resources, both hydrocarbons and hard minerals, marine pollution, marine scientific research, navigation, both commercial and military, international straits, archipelagoes and islands, off-shore installations, land-locked and geographically disadvantaged states, to name but the more important questions. All of these questions are interrelated and the balance of interests within the 138 participating states is such that final resolution of one particular issue must of necessity await progress on all other issues. This is usually referred to as the "package approach".

Let me give you an example. It is well known that there already exists a very large majority of states in favour of an uniform breadth of 12 miles for the territorial sea. A vote could easily be carried tomorrow on that simple proposition. But there will not be a vote on this issue in the immediate

future because a consensus has yet to emerge on a whole range of issues -- the nature of the rights and obligations of coastal states and of other states within that limit, the effect of such a limit on some of the most important straits used for international navigation, and demand of many states for a much wider zone -- of 200 miles or more -- for the protection of coastal states' interests in marine resources and environment.

I am quite prepared to concede that this interrelationship of issues and the resulting one-package approach make the task of the conference extremely difficult and lengthy. But fragmented solutions are out of the question. No nation is prepared to make concessions or to accept compromise formulae on a given point until it is satisfied that the over-all solution strikes an acceptable balance between its diverse interests.

What is important, therefore, is to assess the general direction of the conference and relate it to Canada's essential objectives.

There is a clear trend towards the acceptance of a three-tier concept: that is, an economic zone out to 200 miles; an international area beyond the economic zone reserved for the benefit of all mankind; and the application throughout the oceanic space of sound management principles for the use and preservation of the sea.

First, the economic zone, that is certainly the area where progress was most evident at Caracas. I believe I can safely say that whether or not the conference is altogether successful, the economic zone concept is here to stay. That is to say that within 200 miles of its coasts, a coastal state will have very substantial rights over the mineral and living resources of that zone and more extensive rights than it now possesses over marine pollution and scientific research.

For Nova Scotians and Canadians in general, that is a most encouraging development. It means that in the very near future Canada will be able to exercise full control over the most important economic activities now taking place or that may take place in the future in our off-shore waters. To be realistic, I must point out that this does not amount to an automatic remedy to all the economic ills of our coastal areas. Such a panacea does not exist. But it does mean that we will have the legal means and the necessary tools to put into effect sound management and conservation practices for the benefit of our own citizens, a power we have not had.

Let us consider for a moment what a 200-mile zone would do for Canada as far as fishing is concerned.

First, we will acquire the exclusive right to manage all living resources within 200 miles from our shores. We will have the final say in determining maximum or optimum sustainable yields for each species. We will have the final say in establishing quotas, closed seasons, the size and nature of gear and the numbers, sizes and types of fishing vessels that may be used. We will have the final say in licensing foreign fishermen, fishing vessels and equipment. In short, we will have the exclusive power to prescribe any terms, conditions or regulations we consider necessary to govern the harvesting of all living resources and their proper management and conservation.

Secondly, and this is perhaps the most important feature of the concept for the future development of our fishing industry, we will have the right to reserve to our own fishermen that portion of the total resource which they have the capacity to catch in any given year. In practice, this means that as our capacity increases, so does our percentage of the total catch. In principle, this percentage could reach 100%.

We will, therefore, manage the whole and be guaranteed our fair share of the proceeds. It does not mean, of course, the immediate exclusion of all foreign fishing vessels from our 200-mile zone. That would simply mean a waste of close to 70% of the living resources now being exploited. It does mean, however, *control* of foreign fishing on Canadian terms. Of course, we will continue to use international bodies, such as the International Commission for Northwest Atlantic Fisheries (ICNAF), to exchange scientific data and catch statistics, as well as for the establishment of joint research programmes. But Canada, with respect to the resources of its zone, will have the last word as to who gets what, and who does what. The Government is now studying the ways and means to put into place, when the time comes, the proper mechanisms to exercise this widely increased jurisdiction. Undoubtedly, for a long time to come, we will have to enlist the co-operation of all nations fishing near our shores particularly in respect of data gathering. Indeed such co-operation will be a condition of their continued operations within our zone.

We are also actively considering how to improve our surveillance and inspection capabilities. Already some use has been made of our naval units on the East Coast and contracts are out for new inspection vessels. We all agree that more has to be done in this field and we will spare no effort to ensure the best use of all resources available.

Such are some of the benefits which can accrue to Canada if the 200-mile economic zone is accepted. That is good news. That is progress. But a 200-mile limit does not fully cover the Canadian case.

We must obtain recognition of our rights and needs beyond that limit, if we want to protect adequately our natural resources in three particular situations. A strict 200-mile limit would leave out over 400,000 square miles of continental margin, mostly on the East Coast, 10% to 15% of our fish stocks, also on the East Coast, and would leave all of our salmon unprotected during that part of their lives they spend in the open sea.

We have an uphill battle to fight on these three issues. We have many allies, our negotiators have made great efforts to promote our legitimate cause and we are still confident of ultimate success as part of the over-all accommodation which the conference will hopefully produce. But let us be realistic enough to see our main difficulties.

A second major trend has also emerged at the conference in favour of establishing the international area of the oceans as a zone reserved for the benefit of mankind. Almost all nations agree that the exploitation of manganese nodules, those potato-shaped rock formations which lie all over the ocean seabed at depths of 15 to 20,000 feet and which are rich in nickel, copper, cobalt and manganese, should be carried out for the benefit of the whole world and not solely for the advantage of the technologically advanced states. That is a concept which Canada wholeheartedly supports.

Unfortunately, the Conference has not gone very far beyond accepting this very basic concept. The practical implementation of the concept, that is the creation of a new international authority, has given rise to a most serious confrontation between developed and developing nations.

This may seem to some Canadians as a controversy so far removed from our essential preoccupations that it should not cause us to worry. There are on the contrary two very basic concerns which trouble us.

One is that the two opposing factions on this issue attach such importance to its resolution that failure on this item might undo the whole conference.

Our second concern is that if a proper international legal regime is not established over the international area, we will not only find ourselves faced with conflict between developing and developed states but we, as Canadians, might also suffer from an uncontrolled exploitation of mineral resources, in particular of nickel, which constitute a good part of our hard minerals exports and on which entire Canadian communities depend.

Both for reasons of world-wide equity and our own domestic interests, we must do everything we can to set up a strong and economically viable international authority.

Finally, the third major trend at the conference can be expressed in terms of a growing realization by all states that the oceans must be managed in a rational manner as opposed to the *laissez-faire* attitudes of the past. While it is desirable to maintain the ocean as a major thoroughfare for commerce, communications and general exchanges between nations, the time of unfettered freedom which has so often led to abuse is over. Navigation, fishing, research and exploration must be permitted and encouraged but they must also be made subject to appropriate controls, rules and standards.

Much of the debate that is going on has to do precisely with the reasonableness of such rules, their source and their enforcement. Canada has led the way in the protection of the marine environment. We have already legislated to control pollution in the Arctic and in the Gulf of St. Lawrence, the Bay of Fundy, Queen Charlotte Sound, Dixon Entrance and Hecate Strait. For all practical purposes we are already managing these coastal areas as we would like to see economic zones managed. We hope that the conference will endorse these concepts and will apply them universally, taking into account the interest of the world community in international navigation and the special ecological or geographical circumstances that prevail in certain parts of the world.

What, then, can we expect from the next session of the conference which will start in Geneva in less than three weeks?

Quite frankly, the mandate of the conference is so complex and the remaining differences of views so serious that we cannot realistically expect the Geneva session to terminate its task on every single item. What we can aim for is very substantial progress. Progress of such magnitude that we will be in a position to see the precise contours of the package and to determine the timing of the final conclusion.

Let me be very clear. What we are seeking is an internationally negotiated solution to a series of inter-related problems of great political and economic importance. Such an international solution is by far preferable to unilateral or even regional action. But time is of the essence, not only for Canada, but for a lot of other countries.

We will not stand for a simple referral of the issues to one or more sessions unless we have reason to be confident in an early successful conclusion. That is a judgement which the Government will have to make at the end of the Geneva session. As my colleagues and I have said repeatedly since Caracas, should the conference fail or procrastinate, we will reassess all options and decide how best we can cope with our most urgent problems -- and the fisheries question is obviously high on the list -- in the light of prevailing circumstances.

The fundamental objectives I have just described are those that will guide the Canadian delegation when the next session of the Law of the Sea Conference opens in Geneva on March 17. On that delegation, as at Caracas, there will be representatives of the fishing industry as well as from the mining and shipping sectors. Parliament and the interested provinces will also be represented on the delegation. My colleagues, the Minister of the Environment and the Minister of State for Fisheries, and I intend to spend some time at the conference. That indicates the importance we all attach to this next round of international negotiations. We hope that all of the efforts we have made over the years will result in complete success and better protection of Canada's vital interests in the oceans.

STATEMENT DISCOURS

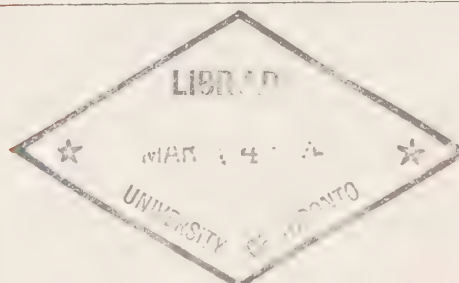
SECRETARY
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SECRÉTAIRE
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ADDRESS BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS
THE HONOURABLE ALLAN J. MACÉACHEN

TO THE COMMONWEALTH MINISTERIAL MEETING
ON FOOD PRODUCTION AND RURAL DEVELOPMENT
LONDON, ENGLAND
MARCH 4, 1975



I would like first to thank our hosts -- and particularly you, Mrs. Hart -- for providing us with the welcome opportunity represented by this Commonwealth Meeting on Food Production and Rural Development. It is fitting that Commonwealth members committed as they are to the social and economic betterment of their peoples should confront the interlinked problem of food production and rural development -- and determine how the Commonwealth can assist.

It is essential that any proposals for practical collaboration should benefit member countries directly and reinforce the spirit of Commonwealth collaboration which Heads of Government defined at the meeting in Ottawa in 1973.

With the increasing attention being paid to food production and rural development throughout the world -- especially in the wake of the World Food Conference -- this meeting must ensure that any activity undertaken through our Commonwealth supplements and reinforces -- and does not duplicate -- activities being undertaken elsewhere. Within the framework of existing bilateral programmes between Commonwealth countries the meeting may well recommend new and potentially fruitful areas of cooperation which could influence policy decisions.

One step which could help in this cooperation is the possibility of creating a Food and Rural Development Division within the Secretariat. Ministers will doubtless wish to examine this suggestion. Should productive areas of operation for such a division emerge from discussion, Ministers could recommend to governments a particular role for the division. In my view it could provide an information clearing house for member governments and an advisory service to the Commonwealth Fund for Technical Cooperation. As well, there should be involvement, as appropriate, of the existing Commonwealth Agricultural Bureaux in whatever recommendations are made -- a practice which would ensure maximum involvement by pertinent Commonwealth organizations.

Let me turn now, briefly, to the World Food Conference and review the follow-up action that is being taken internationally and by Canada.

It was understandable that many delegates to that conference from developing countries were preoccupied with the urgent short-term problems arising from a rapidly deteriorating world food situation. This made it difficult to place proper emphasis on the resolution of longer-term food problems and of increased agricultural production -- especially in developing countries -- which represented a major objective of that conference.

Nevertheless the conference did achieve agreement on a number of important institutional issues.

1. The establishment of a World Food Council.
2. The establishment of the FAO Committee on world food security.
3. The setting up of a committee on food aid policies and programmes.
4. The creation of a global information and early warning system.
5. The establishment of a consultative group on food production and investment of the IBRD, FAO, and UNDP, and
6. The creation of the framework for an international fund for agricultural development.

Discussions are presently taking place or are scheduled in the very near future to advance each of these matters. In keeping with Canada's role at the conference, we intend to take part in these discussions in the spirit that was developed at the Rome conference. In the three months or more since the conference, we, in Canada, have been occupied translating our pledges into realities.

We did pledge one million metric tons of food grain annually for each of the next three years to help overcome the short-term food shortages. Plans are nearly completed for the allocation of this grain to bilateral recipients and multilateral organizations. In keeping with our pledge to channel at least twenty percent of our food aid through multilateral agencies a significant portion of the one million tons will be made available to the World Food Programme.

We also pledged to make available immediately \$50 million dollars of aid funds to assist some of the most seriously distressed countries. This total sum has been fully committed to the provision of fertilizers and food aid shipments are now being made. We are deeply aware that measures of this kind are but the first steps on a long road. This conference is a further step down that road to improving the economic well-being of the developing world. I think this conference must concentrate on the basic long-term priorities, the increase in food production, the improvement of nutrition, and the advance of rural development. This conference is concerned with efforts to improve the lives of the rural poor who represent some 40 percent of the total population of developing countries -- about 750 million persons. Canadian efforts will concentrate on increasing the productivity of rural people by enhancing the means of production at their disposal.

To help meet demands of this magnitude we have been engaged in Canada in developing a new broad strategy for Canadian development assistance which is now in its final stages. It is intended to provide among other things new guidelines which should result in a greater capacity to respond to the changing priorities of developing countries.

In addition, other policies of government which affect Canada's relations with developing countries are also being re-examined with a view to ensuring a consistent approach to the development of a stable and equitable world economic environment.

Within the broad dimensions of this strategy, we have been re-assessing our development assistance programmes in order to enlarge them and make them more effective in the renewable resources sector. Through our bilateral and multi-lateral aid programmes we have been involved in a wide range of activities in this sector -- for example, the provision of fertilizer, research in dryland farming, water resource evaluation, the development of wheat farming and beef and dairy projects, and the development of storage and bulk handling facilities. We can extend also our activities in fisheries and forestry.

In agriculture, Canada is strong in the production of cereals such as wheat, oats, rye, barley and maize and in oil seed crops such as rapeseed, sunflower seeds and soybeans as well as starch crops like potatoes. We have a strong technology in dryland agriculture. Most of our cereal crops are grown in areas with under 20 inches of annual rainfall. In other agricultural technologies, we are good in the soil sciences, animal breeding, animal nutrition, and crop storage and processing. We are using these strengths as a back-up for our international development work. There are many projects and programmes drawing upon our expertise in these areas. Here are just a few examples.

In India, there are Canadian scientists working with their Indian colleagues adapting Canadian dryland technology to a variety of Indian soil and climatic conditions. They are also working on scaling down large-sized Canadian minimum tillage implements to small mechanical or ox-power systems. In Tanzania, Canadian scientists and practical farmers are opening new lands to wheat farming. In Lesotho, we are helping to sort out areas suitable for a variety of oil crops, and if successful, we will help with the technology for growing, harvesting and processing.

But we have our limits. We manufacture relatively few agricultural implements and practically no tractors. One of our biggest constraints is the fact that we do not have many professional agricultural personnel available for development work, even though we are placing more emphasis on training and recruiting for work abroad. Specialized manpower is a great lack, though perhaps we may yet find a way to tap the extensive knowledge that exists among our farmers. Finally although we are the largest per capita donors of food aid in the world there are clear limits to the amount of agricultural land in Canada located in a climate suitable for crop or animal production.

In fisheries, Canada has a highly developed capability in biological research, exploratory fishing, resource management and quality control. Fisheries development planning and resource management are two particular areas in which Canada has been involved in projects in several Commonwealth countries in Asia, the Caribbean, and Africa.

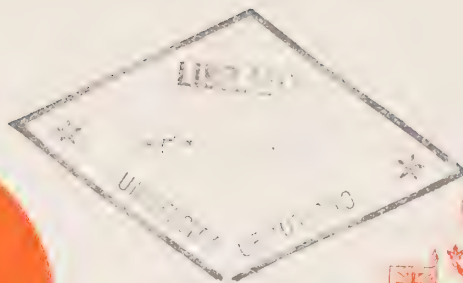
We know there are limitations not only to our food production capability but to the extent to which Canadian experience is immediately relevant to the problems of rural development in developing countries. From Canadian experience, we have learned that rural development is damnably difficult. As I have indicated, we are re-examing our international assistance operations in an effort to make them meet more effectively the needs of our partners in development. What we hope to hear at this conference from our developing country partners is some plain talk about their priorities. We want to match our response more closely to their needs. Thank you.

Canada

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EXTÉRIEURES.



STATEMENT BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachen,
MARCH 7, 1975

"TERRORIST ATTACK IN
TEL AVIV, MARCH 5, 1975"

DÉCLARATION DU
SECRÉTAIRE D'ÉTAT
AUX AFFAIRES EXTÉRIEURES,
L'HONORABLE
ALLAN J. MACEachen,
LE 7 MARS 1975

"ATTAQUE TERRORISTE À
TEL AVIV LE 5 MARS 1975"

The Government has learned with shock of the brutal attack and wanton destruction of lives which took place in Tel Aviv on Wednesday. I can only restate the Government's condemnation in the strongest possible terms of any resort to violence to promote a cause. There is no possible excuse for sheer terrorism which results in cold blooded murder of innocents. We particularly deplore the resort to such tactics at a time when there is an expressed willingness to seek a negotiated peaceful settlement by the states concerned.

* * *

Le Gouvernement a été consterné d'apprendre la nouvelle de l'attaque brutale et meurtrière perpétrée à Tel Aviv mercredi. Je ne peux que réaffirmer le plus énergiquement possible la désapprobation du Gouvernement à l'égard de tout recours à la violence pour faire avancer une cause. Il n'existe aucune justification possible du terrorisme sauvage qui mène à l'assassinat d'innocents. Nous déplorons tout particulièrement une telle action alors que tous les Etats en cause se sont dits prêts à rechercher une solution pacifique par la voie de négociations.

NOT FOR PUBLICATION BEFORE 20:00 HOURS

MARCH 11, 1975

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SECRETARY
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SECRÉTAIRE
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NOTES FOR A STATEMENT MADE BY
THE SECRETARY OF STATE FOR EXTERNAL
AFFAIRS, THE HONOURABLE
ALLAN J. MACEachEN
TO THE
STANDING COMMITTEE FOR
EXTERNAL AFFAIRS AND NATIONAL DEFENCE
OTTAWA, TUESDAY, MARCH 11, 1975



When I appeared before this Committee on October 22 of last year, I dealt with the general framework of the Government's foreign policy and Canada's relations with her closest associates in the international arena. Consequently, I do not feel that I need say more at this time on the main thrusts of our foreign policy. Instead I wish to speak about Canada's relations with the developing countries, about the United Nations and about the Law of the Sea.

Developing countries

Canada has long had friendly relations with her Commonwealth and Francophone associates in Africa, Asia and the Caribbean. But it would be fair to say that a new phase is beginning in these relations. The Government's wish to put new emphasis on our relations with developing countries is motivated by a practical assessment of the international environment. It is not an emotional response to recent events at the United Nations and elsewhere.

Our reasons are as follows:

First, that is where the people are. Some three-quarters of the world's population live in developing countries; and people must eventually mean economic opportunities and political power.

Second, that is where much of the "action" is. Increasingly, the risks of confrontation, as evidenced by the so-called energy "crisis", are shifting towards the resource-rich areas, although both East and West continue to concentrate their forces in Europe. The international community in our view will increasingly have to deal with situations of political instability, localized conflicts and other symptoms of fundamental social change in Africa, Asia and Latin America. The current efforts of Secretary Kissinger to bring about a peaceful settlement in the Middle East underlie the point I am making. We support these efforts and are ready to help in any way we can.

Third, we believe that we will be increasingly affected - for better or for worse - by the dramatic process of political change, cultural modernization and economic development which is transforming these societies into substantial partners for Canada and other industrialized countries.

The countries of Asia, Africa and Latin America may not be as powerful as the United States, Europe or Japan. But they do have specific views and interests, which they perceive and formulate with increasing clarity at the United Nations; they already have the power to affect our daily lives. That is why we have to talk to their governments, find out what they think, brief them more fully on our own positions; that is why, among other things, I hope to visit five countries of West Africa in April of this year; and that is why we must begin to adapt our development aid to new needs and conditions. We must also consider ways and means to expand our economic relations with the Third World beyond aid; more trade, of course, but also more industrial investment, joint ventures, and transfers of technology on mutually acceptable terms.

Nor should we neglect the human and cultural dimension. Developing countries are often the repository of some of the oldest and highest cultures in the world: a repository therefore of ancient wisdom, art and literature which can be of immeasurable benefit to a young multicultural society like Canada.

International Economic Order

The developing countries today, even more than the industrialized world, find themselves beset by the problems of monetary instability, inflation, high food prices, and not least, sharply increased energy costs with their severe implications for balance of payments positions.

In this context, the developing countries naturally put special emphasis on trade in primary commodities. The bulk of their foreign exchange earnings are derived from the export of raw materials and agricultural products. Although the market rise in some commodity prices in recent years has been a benefit, the recent softening of commodity markets is causing developing countries to feel that they are again facing a boom-and-bust situation.

They are also interested in a whole range of other issues, notably: measures of trade liberalization which will work to their advantage; the acquisition of modern technology; changes in maritime transport; international cooperation to ensure that multi-national corporations operate consistent with their national interests; and an international monetary system that operates to facilitate their economic growth and participation in world trade.

Some of the proposals advanced by developing countries under these headings pose obvious difficulties. Not all have common support, for the interests of developing countries are not identical. It is misleading simply to equate exporter and developing country interests. Nor can we ignore the fact that consumer and producer interests are related.

Much has been done internationally to tackle these problems of the developing world. The Generalized System of Tariff Preferences, the revision of quotas in the International Monetary Fund (greatly advanced under the chairmanship of my colleague, the Honourable Member for Ottawa-Carleton), the affirmation in the Tokyo Declaration that additional benefits for developing countries would be sought in the multilateral trade negotiations are a few cases in point.

Moreover, in Canada almost all primary commodities - whether mineral or agricultural - enter our market free of duty. Indeed seventy-five percent of all developing country exports to Canada bear no import duty.

We have initiated a review of Canadian policies which affect our economic relations with developing countries. We want to see - as the international trade and payments system undergoes changes - what additional measures are appropriate to ensure that developing countries are able to derive greater advantage from international trade, investment and finance. We must seek out areas where we can cooperate to increase their rate of economic growth and reduce their vulnerability to market forces. We too would benefit from such cooperation. The developing countries are important to us as partners in an interdependent world. But I would be less than frank if I left the impression that I expect Canada to reverse her international economic policies tomorrow. These policies centre on our relations with our major trading partners. Canadian industry and labour depend for their prosperity on these partners. Whatever changes we make - and I should emphasize that there may be some difficult choices to make - must take into account these traditional ties.

Our success in this effort depends upon the vigour of the world economy. There is no more urgent development issue. When production and demand falter, all of us - developed and developing - suffer. Our aim in seeking better methods of cooperation is also to encourage steady economic growth for all countries.

United Nations

It is a truism that the United Nations reflects the concerns of governments and peoples and that because every member of the General Assembly has equal rights in that body it is the concerns of the majority of members that tend to dominate the proceedings. For some years now this majority has been made up of those states which have gained their independence since the war and which are for the most part developing countries. Two of their aims at the United Nations are to increase their share of the world's income by correcting, as they see it, the inequities of the world system of distribution of wealth, and to end the practice of race discrimination in southern

Africa. At the last session of the Assembly the situation in the Middle East also became a major concern of the majority partly because of the new wealth and prestige of the Arab members. The question I wish to raise is whether the majority has made the best use of its influence at the United Nations to bring these problems closer to solution.

At its Sixth Special Session in April 1974 the General Assembly approved resolutions prescribing a new international economic order and a programme of action in its support, despite reservations by a majority of industrialized countries, including Canada. The point I wish to emphasize is that these resolutions were not the result of negotiation between the various states involved. They represent essentially the views of the majority. The same tactic was used at the last regular session of the Assembly to limit Israel's right of reply in the debate on Palestine and to reject South Africa's credentials, thus achieving its de facto suspension from the Assembly although not from the United Nations itself. Suspension is subject to the veto in the Security Council and this was exercised by the three Western permanent members. In addition, UNESCO has taken decisions excluding Israel from its European regional group and terminating UNESCO assistance to Israel.

The upshot of these various decisions, quite apart from the consequences for the parties involved, is in our view to undermine the credibility of the United Nations in the eyes of the minority group of states, mostly from the West, who opposed them. One might conclude that in addition to a new economic order the majority of members are hoping to establish a new political order based on their ability to interpret the rules of procedure and even the Charter itself as they wish. The minority group includes those member countries which provide by far the greatest share of the United Nations' budget, as well as most of the money for the United Nations' development assistance programmes. If they were to become convinced that the organization was no longer serving legitimate purposes the consequences could be serious.

However, I do not believe the situation will move too far in this direction. Both the majority and the minority acknowledge that each has some justice on its side. For many years the West was able to control the General Assembly in its own interests. We cannot complain in principle that a new majority does the same thing today. Canada agrees with those members of the minority however who object to practices which verge on the abuse of the rules. Nor do we see any solution in the adoption of resolutions which depend for their implementation on the cooperation of all, if the wishes of the minority are ignored. We spoke against such resolutions when we thought they were unworkable or improper but we did not challenge the objective of the developing countries to bring about substantial change in the world economic order.

What we must do is find new ways of making the United Nations a centre for harmonizing the actions of nations without subverting the principles of the organization itself on the one hand or of obstructing its capacity to facilitate change in the practices of international cooperation on the other.

Law of the Sea

The next round of negotiations in the Law of the Sea Conference begins in Geneva on March 17 and runs to May 10.

I would like to set out briefly how we see the present situation, and what the prospects appear to be.

The Conference has more than 100 major items and sub-items on its agenda. All are interrelated and the balance of interests within the 138 participating states is such that final resolution of one particular issue must await progress on all other issues. This is the "package approach". No nation is prepared to make concessions or to accept compromise formulae until it is satisfied that the over-all resolution strikes an acceptable balance between its diverse interests.

However, there is a clear trend towards a three-tier concept: first, an economic zone out to 200 miles; second, an international area beyond the economic zones, reserved for the benefit of all mankind; third, the application throughout the oceanic space of sound management principles for the use and preservation of the sea.

I believe I can safely say that whether or not the Conference is altogether successful, the economic zone concept is here to stay. That is to say that within 200 miles of its coasts, a coastal state like Canada will have very substantial rights over the mineral and living resources of that zone and more extensive rights than it now possesses over marine pollution and scientific research.

But a 200-mile limit does not fully cover the Canadian case. We must obtain recognition of our rights and needs beyond that limit if we want to protect adequately our natural resources in three particular situations. A strict 200-mile limit would leave out over 400,000 square miles of continental margin, mostly on the East Coast, 10% to 15% of our fish stocks, also on the East Coast, and would leave all of our salmon unprotected during that part of their lives they spend in the open sea. We will have an uphill battle to fight on these three issues.

A second major trend has emerged in favour of establishing the international area of the oceans as a zone reserved for mankind. Almost all nations agree that the exploitation of manganese nodules, those potato-shaped rock formations which lie on the seabed at depths of 15 to 20,000 feet and which are rich in nickel, copper, cobalt and manganese, should be carried out for the benefit of the whole world and not solely for the advantage of the technologically advanced states. That is a concept which Canada wholeheartedly supports.

Unfortunately, the Conference has not gone very far beyond accepting this very basic concept. The practical implementation of the concept, that is the creation of a new international authority, has given rise to a most serious confrontation between developed and developing nations.

Both for reasons of world-wide equity and our own domestic interests as mineral producers we must do everything we can to set up a strong and economically viable international authority.

Finally, the third major trend can be expressed in terms of a growing realization by all states that the oceans must be managed in a rational manner as opposed to the laissez-faire attitudes of the past.

We hope that the Conference will endorse the Canadian concepts for protecting the marine environment as applied in the Arctic, the Gulf of St. Lawrence, the Bay of Fundy and elsewhere and will apply them universally.

What we can aim for at Geneva is substantial progress so that we will be in a position to see the precise contours of the final package and to determine the timing of the conclusion. As my colleagues and I have said repeatedly since Caracas, should the Conference fail or procrastinate, we will reassess all options and decide how best we can cope with our most urgent problems in the light of prevailing circumstances.

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SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.

NOTES FOR A SPEECH
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS OF CANADA,
THE HONOURABLE
ALLAN J. MACEachEN,
TO THE CENTRE OF
INTER-AMERICAN RELATIONS,
NEW YORK, MARCH 19, 1975



I am very pleased on the occasion of this visit to New York to address the Centre for Inter-American Relations, an organization that has contributed much to better understanding between the several countries that share the vast territory of the Americas. Some Canadians may still think spontaneously of the relationship between the United States and the South American republics, when they hear of "inter-American relations"; but I am well aware that we have substantial interests in common, since you have increasingly concerned yourself in recent years with relations between Canada and the United States. At a time when they are looking more and more outwards -- towards Europe, towards Japan, towards the Third World -- Canadians are paradoxically becoming more aware, in my view, of their North American identity.

I would like to talk to you about one of the great success stories of American diplomacy, a story that stretches well over a century, a story which is not much touted in books on world crises and long-drawn out conflicts for the simple reason that it belongs to quite a different category of history books; I refer of course to Canada-American relations. At a time when many of you, like other Americans, may be in a questioning mood and even a mood of disillusionment about some of your country's involvements abroad, I take great pleasure as Canada's Secretary of State for External Affairs to remind you of this success story. Many Canadians get annoyed when their government expresses such views, because there have been so many occasions to formulate them that they have become clichés; so I will not refer to the "longest undefended border in the world" and the rest of the folklore on Canadian-American relations.

Yet the fact remains that the United States has been for a very long time the very best of neighbours for Canada; and I believe that Canadians have reciprocated. What matters is that, as the relationship between our two countries appears to be going through a more difficult phase, both Americans and Canadians can derive hope and comfort from a quite remarkable record of friendly resolution of their grievances.

'Why is it, then, that every time I pick up a newspaper, I seem to read about a new issue between Canada and the United States?' some of you may ask. Sometimes the tussle is over an environmental question, sometimes over energy, or trade or some other economic issue -- the so-called "irritants" in Canadian-American relations. We Canadians feel that the real state of affairs between our two countries has been somewhat over-dramatized recently. There has been a lot of talk about those "irritants"; but little has been said about the wide range of "lubricants" that still ease to a very considerable extent the day-to-day interface between our governments and indeed every segment of our two societies.

But the problems are real. They reflect the high degree of interdependence between Canada and the United States. They also result from new policies and approaches in Canada flowing from a process of national self-definition -- or redefinition -- and a reassessment of just what our national interests are. In pursuit of our respective national interests, decisions are made in either Canada or the United States that have an impact on the other, sometimes a very serious impact. Yet for Canadians there is an important additional dimension to the situation; for although they are interdependent, our two economies are not of the same order of magnitude.

Let us look at some basic economic facts which reveal the imbalance between our countries. First, there is a ten to one ratio in your favour, roughly, between the two countries' population and G.N.P. Second, the United States provides markets for about 67 per cent of Canadian exports, but these make up about a quarter only of your imports. Third, the United States supplies about 69 per cent of our imports, but this is only a fifth of your overall exports. In fact, you absorb about 35 per cent of all goods produced in Canada; yet we buy less than 2 per cent of your output. The United States accounts for over 80 per cent of the total volume of foreign direct investment in Canada, while Canadian direct investors own less than one half of one per cent of your corporate assets.

The United States' large-scale involvement in Canada has been a major post-war phenomenon and had reached the levels I have just cited by the early seventies. Consequently, we needed to reassess the impact of such a high degree of economic dependence upon a single country, as well as the attendant and similarly lop-sided socio-cultural interaction between our two societies.

This was very much on our minds during the Canadian Government's 1970 foreign policy review; and the impact of an economic relationship with the United States which is too exclusive were placed in even sharper focus by the

economic measures adopted by the United States' administration in August 1971. Two things became gradually apparent to us.

The first is Canada's excessive vulnerability to the impact of the United States -- which, some Canadians felt, even undermined the rationale for the existence of Canada as a distinct political entity.

The second conclusion we reached was that if the Canadian mouse so frequently found herself crowded in bed by the American elephant -- to quote Prime Minister Trudeau's metaphor -- it was largely because she had failed to seek out other bed partners. Or if I may be allowed to coin my own phrase, Canada had puritanically opted for strict monogamy in a polygamous world! We now realize the importance of the European Community. We are seeking to exploit the tremendous opportunities offered by Japan. We should do more in strengthening our relations with developing countries, with Eastern Europe, and with China and the countries of the Pacific basin.

Accordingly, we have sought to pursue in recent years national economic policies which would help to secure greater control over our own economic destiny; and we have devised a diplomatic strategy to diversify our international relations. For example, the Prime Minister of Canada returned only this weekend from a European tour which enabled him to explore areas of mutual interest, both bilateral and multilateral, with the leaders of five member-states of the European Community.

But I want to stress that our foreign policy seeks to supplement, and not to supplant, Canada's long-standing relations with the United States. Similarly, the ultimate goal of our economic policies is to strengthen the Canadian economy and enable us to become more mature, capable of holding our own in a more balanced, healthier relationship with the U.S.A. For the basic fact of Canada's geo-political situation is that her links with the United States will always remain the single most important dimension of her foreign policy. Nor do we deplore this fact: despite the greater national awareness of recent years, the Canadian Government is very conscious of the quite extraordinary advantages resulting from Canada's proximity and traditionally close relations with the United States.

. . .

Let us consider one specific area of mutual interest and concern. It has to do with investment. I am aware that concern is being voiced in the United States about our foreign investment review measures. Equally we are very conscious that Americans are at present by far the largest group of outside investors in Canada. I would like therefore to explain the background to, and the nature of, our foreign investment review measures.

The rapid growth in direct foreign investment in Canada is largely a post-1950 phenomenon. In the period 1950-1970 the book value of direct foreign investment rose from \$4 billion to \$26½ billion. Ten per cent of this total investment is held by residents of Britain. Another ten per cent, roughly, is held by other European countries and Japan. The United States accounts for about 80 per cent.

It is estimated that close to 60 per cent of our manufacturing industries, about half of our mining and smelting, and just over three-quarters of our petroleum and natural gas industries are controlled by residents of other countries. In certain sectors such as chemicals, automobiles, computers, transportation equipment and machinery, the degree of foreign control runs from 80 per cent to over 90 per cent. In fact, the degree of foreign control of industry is much higher in Canada than in any other industrialized country.

Canada's traditional policy towards foreign investment has been an open and receptive one. Unlike many countries, we did not have machinery to monitor and check investment flows. Indeed, Canada encouraged foreign investment as much as possible, recognizing that it was absolutely essential for her economic development.

Today, Canadians are much more aware than they were in the past of both the costs and the benefits of foreign investment. They want to minimize the costs and maximize the benefits to Canada. At the same time they recognize that, as in the past, foreign investment has an important and necessary contribution to make to future economic growth.

It is against this background that the Foreign Investment Review Act was conceived. It represents an effort to establish more effective control over the economic environment and to obtain greater benefit for Canada, but on a basis which recognizes our need for foreign investment and our obligations to our economic partners in the international community.

The Foreign Investment Review Act applies across the whole economy and provides the Canadian Government with the authority to screen:

- (1) acquisitions of control of Canadian businesses by foreigners;
- (2) investments from abroad to set up new businesses; and
- (3) expansion of existing foreign-controlled firms into unrelated businesses.

The first part of the Act concerning foreign acquisitions or takeovers came into effect in April 1974. The other provisions, dealing with the establishment of new foreign-controlled businesses and expansion of existing foreign-controlled firms into unrelated business have not yet been brought into effect. It may be noted that the powers and interests of the provincial governments are a factor of importance in this context.

The test that any foreign investment faces is whether it is, in the judgement of the Government, likely to be of significant benefit to Canada. The assessment is made on the basis of five criteria:

- (1) the impact on economic activity, including such factors as employment, the processing of Canadian resources, and the development of exports;

- (2) the degree and significance of Canadian participation in ownership and management;
- (3) the effect on productivity, efficiency, and technological development;
- (4) the effect on competition; and
- (5) the compatibility with national and provincial industrial and economic policies.

These criteria indicate that the Government is seeking to encourage improved economic performance. That is the main thrust of the review process.

Each case is reviewed on its own merits with every effort being made to be fair and reasonable to the potential investor. The record on the handling of applications supports this view.

Since the coming into force of the Act in April 1974, 121 certified takeover applications have been considered. Of this number 52 have been allowed; 9 disallowed; and 15 withdrawn. The remainder are still under review.

Our policy is to strike a balance between our continuing need for direct foreign investment and our desire, indeed our need, to exercise greater control over our economic environment. Foreign investment is still welcome in Canada; but we want to ensure that this investment will bring significant benefits to our economy. For we believe Canada can offer significant benefits to foreign investors.

I would like now to turn to another field of great and common concern to the United States and Canada: energy, specifically oil and natural gas. I would like to explain the background and direction of Canadian policy in this field.

First, let me speak about our imposition of a tax on Canadian oil exports to the United States. Although there is now a greater understanding of the Canadian position on the part of the United States Government, there continues to be much public confusion on this matter. When the export charge was instituted in October 1973, Canada was criticized for taking unfair advantage of the sharp rise in world oil prices which began at that time, and of the United States' dependence on imported oil. What critics failed to realize is that our self-sufficiency in oil is more apparent than real. We are importers as well as exporters of oil in more or less equal proportions. About half of our production is exported to the United States and the other half supplies that part of Canada west of the Ottawa Valley. Consequently,

our eastern provinces are totally dependent on imported oil purchased at world prices. With the increase in world price, we could hardly continue to export oil to the United States at less than the going price. Also, one of the cardinal principles of our energy policy is that sales abroad must be at world prices. This is essential for an economy which relies to a large extent on the export of natural resources. Consequently we imposed a tax on oil exports which reflects the difference between the domestic price and the world price. It is intended to ensure that we receive fair market value for our oil. As the domestic price moves upwards in line with the Government's objective of encouraging further exploration and energy conservation, the export charge will be correspondingly reduced.

A problem which has concerned people in the United States is the future volume of oil exports. It recently became evident that the extent of Canada's known reserves was not as great as had been previously estimated and that, at the current rate, production would be depleted within a short time. At the same time, it also became apparent that alternate sources, in particular the Athabaska oil sands, would likely come on stream at a slower rate and a much higher cost than we had assumed. The Canadian Government therefore decided, in the absence of new supplies becoming available, to gradually phase out oil exports over the next ten years, which means in effect oil exports to the United States.

We recognize that this policy involves some difficulty for the United States. The decision to phase out our oil exports gradually reflected our awareness of the problems posed for some areas of the United States. But I think you will agree that it would be both economically and politically unsound for the Canadian Government to continue to supply markets beyond its borders at the expense of domestic requirements.

We also recognize, however, that there is a special problem for the oil refineries in the northern mid-west states -- the so-called "northern tier" -- which are completely or mainly dependent on Canadian oil. We remember that these refiners were the first customers for our oil in the sixties. We certainly want to minimize the impact on them of changes in our export capability. We have told the United States Government that we are ready to explore possible ways of alleviating this problem and indeed discussions are under way. We feel that some accommodation should be made for these refiners.

Natural gas poses another potential problem in our bilateral relations.

On January 1 of this year the Canadian Government raised the export price of Canadian gas to \$1.00 per thousand cubic feet. This step was taken because it was found that Canadian gas was substantially underpriced in United States' markets. The Canadian position is that gas exports should be priced in a competitive relationship to other energy commodities in the United States. Also, it has to be understood that inordinately low prices lead only to wasteful use and future shortages. The United States Government has recognized the need for a rise in price. The two governments appear to have adopted similar policy objectives.

The question of volume of export is more difficult. At present Canada sells about 1 trillion cubic feet of natural gas per year to the United States, which amounts to about 40 per cent of Canadian production. The problem is that, given the availability of known reserves, Canada could experience shortages in the near future unless other sources can be brought into production. The National Energy Board is studying this and will be reporting to the Government.

This whole situation shows how complex and, at times, difficult our bilateral relations have become. In these circumstances, it is all the more important that both sides strive to maintain what is fundamentally a healthy, friendly and mutually beneficial relationship. It is essential that, as appropriate, prior notification, discussion, consultation and negotiation play a central role in the management of relations between the United States and Canada. To this end, it is vital that each country have an accurate understanding of what the other is trying to accomplish, and that each has the opportunity to put forward its own concerns for consideration by the other. That is why I have sought to explain to you Canadian policies on foreign investment and energy, two areas of vital interest to Canada and the United States.

Canada

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NOTES FOR A
SPEECH MADE BY THE
SECRETARY OF STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J. MACEachEN,
TO THE WORLD AFFAIRS COUNCIL
AND
NEW ENGLAND TRADE CENTRE
BOSTON, MARCH 20, 1975



I am very pleased to have the opportunity to be in Boston today to address the World Affairs Council and the New England Trade Centre. Coming as I do from Cape Breton, this area is very familiar to me. As you know, the links between the New England states and the Maritimes in Canada go back a long way in the history of our two countries. Let me cite one unusual example to show how strong the ties are. In 1917, Halifax suffered an explosion in the harbour which did terrible damage to life and property in the city. The first relief to reach the city was from Boston - in advance of the arrival of any Canadian assistance. It is something that we have not forgotten.

This northeastern region of the United States has had the longest period of contact with Canada of any region in the United States dating back even beyond the Revolution and the United Empire Loyalists. Both countries have witnessed over time significant movements of people between this region and Eastern Canada. Because of this, you are aware of one of the most fundamental aspects of life in Canada - approximately 27% of our populations speak French as their mother tongue. The importance that Canadians attach to the cultural vitality of the French fact affects the policies we develop and the way we view the rest of the world. One example is Canada's membership in both the Commonwealth and the Agence de Cooperation culturelle et technique, its francophone equivalent. There has been a tendency for Canada to be regarded from abroad as an anglophone country. That misconception is not something that would occur to you in this area. I have noticed that you have recognized your francophone neighbours by placing many signs throughout the area in both English and French. Our policies increasingly reflect Canada's bilingual and multi-cultural nature.

With such ties between us, many of you here today feel, I am sure, very familiar with Canada and the ways of Canadians. I suspect that you may also be wondering about reports of changing attitudes in Canada. Over the past year, I have noticed an increased interest in Canada among people in the United States, particularly in the media - but also in universities. Some of this interest may be because we are not acting as you might have expected us to do. Whatever the reasons, Canadians welcome this interest because we are certain that this contributes to the maintenance of a healthy relationship between Canada and the United States.

The area that I would like to talk to you about, today, concerns Canadian activities to enhance the kind of life enjoyed by Canadians. In addition to concerns about economic growth, the Canadian government has in recent years given high priority to policies that maintain and enhance the quality of life in Canada. Some of these policies do have an impact on our relations with the United States.

Let us look first at the environmental area. An important element to the quality of life is the state of our natural environment. I am referring here not simply to the desirability of having in this place or that a piece of real estate that is still in its natural state and therefore to be visited with

awe from time to time by thousands of city dwellers. Rather, I am referring to the capacity of our natural environment to renew itself while sustaining man's activities. For many years, in both our countries, we thought that that capacity was effectively unlimited. It is only in recent times, historically speaking, that we have come to understand that we can all too readily overload the assimilative capacity of the natural environment. We have also come to understand how little we know about the complex series of factors which must be kept in balance in order to ensure that the global ecosystem, of which each of us is a part, continues to function as it should.

Any observer of a world map is aware that Canada has a great deal of environment to manage and to protect. Nonetheless, despite our enormous territory, the concentration of our population and industry has given us many difficulties akin to those experiences in your own country. I can say unequivocally that we are facing these head on, and that we have made a number of decisions designed to ensure that the protection and management of our natural environment is conducted as effectively as possible. I do not have the time here to list these in detail, but I would cite one decision which is representative of others - the decision in 1971 to create a comprehensive Department of the Environment. This Department is very broad in scope. It places within one organizational structure the responsibility that the Federal Government has in such varied tasks as managing renewable resources in both the terrestrial and maritime environments, the development of regulations to abate or control pollution, the monitoring of air and water quality throughout our country, the development of what is perhaps the world's most advanced land use data bank, the assessment of the effects on the environment of major projects of many kinds, weather forecasting, and substantial research activities in support of all of these functions.

Canada is and will continue to remain an environmentally responsible neighbour. We see the United States in the same light and take pride in the serious efforts that we both have been making to manage in a responsible and creative manner those environmental issues which have transboundary implications. Let me stress that we in Canada have welcomed the opportunity to work with the United States in creating a very dynamic and beneficial bilateral environmental relationship. The United States is an acknowledged leader in this area, and together, I think we have taken actions that can serve as models for other nations.

Nonetheless, there will be problems from time to time. The proposed oil refinery at Eastport, Maine is one example that I might mention. This project of the Pittston Company could involve the passage of very large crude carriers through the Canadian waters of Head Harbour Passage to Eastport. We have examined the effect of an oil spill in these constricted waters and it is our view that the fisheries and wildlife resources of the area would have been severely affected, in addition to the appreciable aesthetic degradation which would have resulted along all the contiguous shoreline. The total annual landed value of fisheries products in the area is five million dollars, involving a labour force of roughly 1600 people. As well, the Charlotte County Islands and Passamaquoddy Bay would be at risk, even in the event of a minor oil spill. This particular area is used by a large variety of birds either for breeding or as a staging area on their migratory route to and from their prime nesting or wintering

sites. The Canadian Government concluded that there would be an unacceptable risk in the transport of a large volume of pollutants through these difficult waters and that we would oppose the passage of large crude or product carriers through Canadian waters in the area. We made these views known to the United States Government on June 7, 1973, and through the United States Government to the State of Maine. On a number of occasions since that date, we have continued to express our opposition to this project.

The Maine Environmental Protection Board has now come to a decision in the matter of the Pittston Company's application. There has not, as yet, been an opportunity for us to devote careful study to the conclusions of the Board. It would thus be premature to comment substantively on them although the general tenor of the decision seems to be encouraging to us. However, the Canadian Government's opposition to the carriage of large quantities of pollutants through Head Harbour Passage is well known. The Government will be examining the details of the Board's decision in this light.

There are a number of transboundary issues that are currently being discussed between Canada and the U.S. Several of these are in the vicinity of the border of New England and Canada. Discussion and consultation will help permit solutions to be developed in individual cases that will satisfy both Canadian and U.S. concerns. We have a long tradition of operating in this manner and we intend to bend our best efforts to maintain this tradition.

With the longest coastline in the world, Canada is very aware of the need to protect the marine environment. The sea plays an important part in the lives of many regions of Canada as it does for this region of the U.S.A. and therefore Canada has taken a great interest in questions concerning the law of the sea. I am sure you here in Boston share this concern and are also paying close attention to developments at the Third United Nations Law of the Sea Conference which resumed this week in Geneva.

Canada strongly supports the idea of a 200 mile economic zone. We think it important that we have the exclusive right to manage all living resources within the zone and that we obtain appropriate protection for the coastal state's interest in the fish stocks of the continental margin beyond 200 miles. The future of our own fishing industry depends on the effective management of these resources and on the right to reserve to our own fishermen that portion of the total resource within the zone which we have the capacity to catch.

Canada is also seeking rights in the economic zone which would provide coastal states with more extensive powers over marine pollution. In addition we have a special concern to ensure that very vulnerable areas such as ice-infested waters are protected from pollution. Canada believes that coastal states must have the authority, with appropriate safeguards, to deal with particular geographic, navigational or ecological situations not adequately covered by international rules and standards.

As you can see Canada is approaching the preservation of the marine environment issue at the Law of the Sea Conference from the perspective of a coastal state although we recognize that we have an important stake in the freedom of commerce and navigation by sea. The United States position as a great maritime power gives you a somewhat different perspective. However, both Canada and the United States are working for a successful conclusion to the Conference which will meet the very important concerns of both countries on this issue and the many other vital issues facing the Conference.

One of the most important areas that determine the quality of life in Canada is its cultural vitality. Without a vigorous and distinctive cultural life, national independence is nothing but an empty shell. Canadian concerns about our cultural survival may seem puzzling to you Americans who are about to celebrate your Bicentennial.

But although the first French settlers came to the Saint Lawrence Valley some time before the first New Englanders, Canada is in fact a much younger society. We celebrated our first centennial as a nation only seven years ago; and as a result, the maturation of our national culture is still very much under way.

This process, by virtue of Canada's history and sociology, is somewhat complex and more deliberate than your own. For example, we are committed to the cultivation of two official languages, to the preservation of regional identities, to the enhancement of our citizens' varied ethnic backgrounds, among which our native peoples, Indian and Inuit, have a very special status. In other words, we are deliberately seeking to avoid the emergence of a uniform "Canadian way of Life". The Canadian dream is one of diversity, of "multiculturalism", as we call it; and the pattern we want for our society is that of the mosaic. All this may appear somewhat bewildering for Americans, who have forged their own highly distinctive tradition in such matters. This bewilderment may be compounded by the fact that Canadians can not speak so confidently of their "manifest destiny" in cultural affairs; for the people of the United States seldom realize the tremendous cultural impact they have on Canada through television, radio, magazines, books, films and other media.

Canadian concern about this situation is not new. A Royal Commission on National Development in the Arts, Sciences and Letters, made recommendations in 1951 on the situation of the arts, sciences and letters in Canada at that time. The final report made the following comment in its opening section:

"American influences on Canadian life to say the least are impressive. There should be no thought of interfering with the liberty of all Canadians to enjoy them.....It cannot be denied, however, that a vast and disproportionate amount of material coming from a single alien source may stifle rather than stimulate our creative efforts....We must not be blind, however, to the very present danger of permanent dependence."

We fully recognize that this influence is friendly. Canadians welcome the opportunity of seeing and reading the best that the U.S. creates. However, Canadians also want to be able to read, hear and see themselves through our own artists, writers and entertainers. In the past, these artists have encountered great difficulties in obtaining sufficient opportunities to reach their audience. Recently, various Canadian authorities have taken steps to try to ensure that some of these problems encountered in the past were removed.

One recent area involved Canadian periodicals. The Government has for some time been determined to ensure that there was a viable Canadian magazine industry where Canadian periodicals will be autonomous and possess their own style and individuality and be free of direct foreign control. Our magazine market has been dominated by U.S. publications. A section of our Income Tax Act has conferred for some time now an advantage of incentive to Canadian magazines by allowing Canadian firms to deduct the cost of advertising in Canadian magazines at 100%. There was no intention to interfere with content since emphasis was placed on "dissimilarity" from a foreign periodical in order to qualify for income tax relief. In 1965, when this section of the income tax became law, Time and Reader's Digest, unlike all other foreign publications, were exempted from the effect of this section of the Income Tax Act and Canadian advertisers in these foreign-controlled periodicals were permitted to deduct the full cost.

The Government recently announced that it was proposing to end the exemption for these two magazines. The intent of the section of the Income Tax Act was to support the Canadian magazine industry, then as now weakened by the virtual domination of the market by United States publications. Instead of legislating against the entry of United States material - that would have been unacceptable interference with the free flow of ideas and information - the framers of the section legislated an advantage or incentive for Canadian magazines. However, the exemption of Time and Reader's Digest from the beginning, vitiated the very purpose of the section because these were the two main competing foreign publications. By ending the exemption, we are restoring the original intention and force of the section.

I would like to emphasize that there are no restrictions on the availability of Time and Reader's Digest within Canada as a result of this action - just as there is no restriction of the availability of Harpers or Atlantic or The Economist or L'Express or Le Point, all of which are currently being sold in Canada as foreign publications.

Canadians are generally concerned that when they look in the mirror of their cultural tradition and identity, they will not recognize themselves. Canada is still a relatively young country and we want to ensure that our cultural identity is shaped as much as possible by ourselves, with contacts and influences from abroad that enrich us but do not stifle us. I think many Canadians would agree with the following remarks that I would like to quote to you:

"The true sovereigns of a country are those who determine its mind, its mode of thinking, its tastes, its principles,

and we cannot consent to lodge this sovereignty in the hands of strangers."

I regret to say that I do not know the name of the person who made those remarks, but I hope you will be interested to know that they appeared in an address at the University of Philadelphia in 1823.

Both Canada and the United States have and are continuing to develop policies to enhance the quality of life of citizens in each country. The pursuit of United States policies will have a greater impact on Canada than we will have on you, and therefore we will certainly see some issues somewhat differently than you. We may have divergent interests: this is often the case in relationships which are assymetrical. What is more important is that differences be settled amicably and in good faith, based on understanding of what each is trying to accomplish as a nation in North America and in the world. I am delighted to have had an opportunity to contribute to this process here in Boston today.

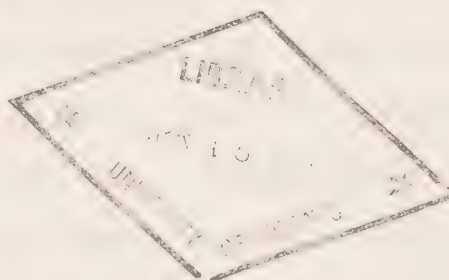
FOR IMMEDIATE RELEASE
MARCH 27, 1975

~~CONFIDENTIAL~~
Publications

STATEMENT DISCOURS



STATEMENT BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J. MACÉACHEN,
MARCH 27, 1975
"INDOCHINA"



The Canadian Government and people have been closely following the development of the situation in recent days in Viet-Nam and Cambodia. With respect to Viet-Nam we were, of course, well aware that there had been breaches of the Paris Agreements earlier but these have now reached a point where the armistice seems to have broken down almost completely. We have long been of the opinion that problems such as this should not be solved by force of arms and very much regret that the parties concerned have been unable to find a peaceful political solution in accordance with the Paris Agreements.

Since Canada is not a party to the Agreements, it cannot of course play a political role of any importance in the situation now unfolding in Indochina. However, on a humanitarian basis, we are deeply saddened by the human suffering that has been caused throughout the region and can only hope that a peaceful and just solution can yet be found to alleviate the sad situation. Canada can and should, however, do something to minimize the suffering of the civilian populations in Indochina. In this respect, I am pleased to be able to announce that I have just authorized the contribution of \$1.75 million in support of refugee relief programs of the United Nations Children's Fund, the United Nations High Commissioner for Refugees Fund and the Indochina Operations Group of the International Red Cross. In addition, given the severe worsening of the refugee situation in recent days, I have instructed my officials to complete the details for a further contribution of a similar size for an additional cash donation to those international organizations concerned with relief to refugees. We are also looking at the possibility of sending relief supplies to the area including, if necessary, food, medical supplies

and temporary housing. Finally, because of the magnitude of the problem, we are contacting relevant international organizations to discuss what other measures can be taken to assist in the alleviation of this sad situation. Although, therefore, we are fully aware that we cannot exercise political influence in the tragic events that now envelope the region, we can take steps on the humanitarian level to assist those who are suffering.

I should like, finally, to take this occasion to provide some details on the situation of Canadians now in Viet-Nam. Of the approximately 80 Canadians registered with our Embassy in Saigon, a group which consists primarily of missionaries and employees of organizations with similar objectives, over half of the group are located in the Saigon area. Twelve Canadians who were working in Kontum and Pleiku provinces were able to move to safer areas before those provinces were given up by the forces of the Republic of Viet-Nam. Canadians in other dangerous areas such as Danang, Qui Nhon, Nha Trang, Dalat and Long Xuyen have now either left for Saigon or are preparing to do so within the next few days. Finally, I might add that we are developing contingency plans in the event that it becomes necessary to assist Canadians to leave Saigon or other areas of the country.

Canada

NOT FOR PUBLICATION BEFORE
20:00 HRS, MARCH 27, 1975
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Government
Publications

STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.



NOTES FOR A SPEECH BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J. MACEachEN,
TO THE ITALIAN PROFESSIONAL
AND

BUSINESSMEN'S ASSOCIATION OF WINDSOR

WINDSOR, THURSDAY, MARCH 27, 1975



Mr. President,
Gentlemen,

Let me say at once how pleased I am to have been invited to join you in celebrating this, your third Annual Civic Night.

Looking around me I can see that I am in the company of very many friends and acquaintances of the Italian Professional and Businessmen's Association of Windsor from outside the Italian community who have come to help in the celebration. This is proof of the kind of organization you are -- outward-looking. I think it significant that your charter calls upon you to direct your efforts not only towards Italian groups but also towards the local community as a whole. Since the founding of your organization in the fall of 1960, your cultural, educational, and charitable endeavours have focussed on this larger objective. You are an example of community broad-mindedness. And it is about the importance of this very characteristic in associations such as yours that I first wish to speak.

In describing the process of nation-building in Canada we often fall back on the term Canadian mosaic. This over-worked phrase is supposed to suggest the idea that each ethnic group, while contributing to the make-up of the whole, retains its own cultural identity. The metaphor is accurate enough as far as it goes. But it fails to take sufficient account of other important aspects of the nation-building process.

It does not, for example, adequately reflect the fact that, for the process to be truly effective, there must be constant inter-play among the various ethnic elements that make up the Canadian community. There cannot be ethnic self-containment. We must avoid the creation of a "Little Italy" which shuts out the influences of its Canadian setting. On the contrary, there must be an openness, and an interaction between ethnic groups and others in their immediate environment so that members can relate to other groups, and can enrich both themselves and the wider Canadian society by drawing upon and giving of their own cultural heritage.

On this matter I am happy to find that I am preaching to the converted. For your Association has fully demonstrated that its opportunities to relate to the wider community in which it finds itself are not limited by its size or character.

However, all of us know that, because of the very fact that the Italian Professional and Businessmen's Association is a good example, there are other groups and organizations which have so far found it difficult to relate to their social context and have sought, instead, to draw in upon themselves out of a misguided sense of self-preservation.

It would be presumptuous of me to try to give the impression that the process of relating to other parts of Canadian society is a simple task. Canadians boast of their open and mobile society in which it is possible to find satisfaction and self-fulfilment. And this claim is true enough -- up to a point. But most Canadians of whatever origin, at one time or another, have come up against barriers to their progress. They can be at times pretty formidable to a first generation Canadian.

At the same time, I think that as Canadians we can legitimately draw satisfaction from the fact that the Canadian community is gradually improving in this respect. It is infinitely better now than it was at the end of World War II. And the improvement has been due, in large measure, to a change in thinking brought about by the very presence of new-comers. Nation-building, unlike a mosaic which is static in time, is a growing, changing thing. The fact is that we have been giving each other a liberal education in the values of a multicultural society. The result is a greater tolerance, a greater understanding of what each has to offer in achieving this goal. There are still barriers along the road but they are getting smaller.

Nation-building is a collective undertaking involving all groups in the community, not just the Europeans, the West Indians, and the Chinese but also those from the founding groups of British and French origin. The liberal

education, of which I spoke, involves us all. It is not a matter of the new Canadian conforming to an established code set by his predecessors in the country. It is not a question of "we" and "they". All of us are involved in the learning and building process, whether we are the descendants of United Empire Loyalists in New Brunswick, the sons of a French family who came with Montcalm to Quebec, or first generation Italians in Windsor. In this sense the whole country is a schoolroom in which each of us is both pupil and teacher.

There can be no doubt that the Italian-Canadians who form one of the more important cultural entities in Canadian society, have played and continue to play a leading part in this whole process of nation-building that I have been describing. The work of your Association, along with that of other organizations within the Italian community, is evidence of this. It is also revealed in the presence of prominent Canadians of Italian background who are making valuable contributions to the diversity and richness of Canadian society in a wide range of fields from the arts and learning to engineering and government. They are helping to enhance the quality of our life, making Canada a better and more attractive place in which to live. During his recent visit to Italy, Prime Minister Trudeau spoke in the warmest terms of the contributions Canadians of Italian origin are making to Canadian society. The rest of us, of course, are not unmindful of the fact that the Italians have had a head start. For it was John Cabot, that hardy Genoese sailor, who first made his mark in Canada by probing the rocky shores of Cape Breton Island, a part of the country with which I have a passing familiarity.

The presence in Canada of a sizeable and active Italo-Canadian community contributes to a broader Canadian awareness of Italy and its role in the world. For the same reason many citizens of Italy also come to know more about our country and our achievements. This, I think, is to the advantage of both countries. It provides a solid, practical basis for the relations which exist between our two countries. To illustrate what I mean, I wish

to touch briefly on some of the ways in which the Governments of Canada and Italy cooperate to mutual advantage.

Reflecting the fact that Canada and Italy both have common interests in the defence and security field, our two countries are active members of NATO, a forum which provides for continuous consultation and cooperation not only on strictly defence matters but also on a host of related political, economic, social and technological subjects. The United Nations provides a framework for useful exchanges of views between Canada and Italy on an even more diverse range of interests. In the context of East-West relations, the Conference on Security and Cooperation in Europe, popularly known as the CSCE, is an especially significant forum for tangible cooperation between Canada and Italy, because our two countries have made strong commitments to participating in collective efforts to lower the tension-producing barriers between East and West. This very subject figured prominently in the discussions which Prime Minister Trudeau had not only with the Italian Government but also with His Holiness the Pope during his recent visit to Rome.

Indeed, the Prime Minister's visit helped to emphasize just how wide-ranging are Canadian and Italian interests. The topics for discussion were diverse including the dangers of nuclear proliferation, the problems of world food and of development of the third world. The latter problems are of special concern to both the Italian Government and the Vatican. This concern was earlier reflected, for example, in the holding of the World Food Conference in Rome last November which my colleague, Mr. Whelan, and I both attended.

Our bilateral relations reveal a similar growth of interest. In 1974, two-way trade between Canada and Italy was valued at more than three-quarters of a billion dollars. This represented an increase of forty-six percent over the previous year and an increase of more than ninety percent over the past two years. We fully expect our trade cooperation to continue to grow. We also hope that it can be supplemented and reinforced by more extensive industrial cooperation.

For instance, nuclear energy is one particular field which provides much potential for increased cooperation. Italy is greatly interested in the possibility of working together with Canada in the construction of CANDU nuclear reactors as part of Italy's domestic nuclear energy programme and perhaps in co-operating further in the international market in this field. Italy is also interested in acquiring Canadian uranium. Such cooperation has to be based on safeguards which meet Canada's international obligations and its national policy. The Italian Government's intention soon to adhere to the Nuclear Non-Proliferation Treaty is a most encouraging indication that such arrangements are in fact desired by both sides.

Cultural affairs form an important element in our bilateral relations. In 1969, Canada established in Rome a Canadian Cultural Institute which assists Canadian artists and scholars in pursuing their studies in Italy. In 1973 our National Arts Centre Orchestra made a highly successful tour of Italy. In September 1974, Canada was the featured country at the famous Sorrento Film Festival, thus enabling the Italian public to become more aware of Canadian accomplishments in the field of cinema. In the same year, a film co-production agreement was ratified by our two governments.

As Prime Minister Trudeau indicated at the State banquet tendered him by President Leone, Canada is deeply conscious of Italy as a well-spring of those cultural values which inform Western civilization. Both Prime Ministers agreed during Mr. Trudeau's visit that Italian-Canadian cultural relations should be broadened and intensified and steps are already being taken to this end.

Immigration is another aspect of our bilateral relations which is of continuing interest. It is a link of long-standing between Canada and Italy. It has a substantial and pervasive effect in shaping Canadian society. It touches so many people in a direct, personal way. In the past three years approximately 5,000 Italian citizens have annually chosen Canada as their new home.

With immigration has come a variety of social questions of concern to our respective governments and to the Canadian of Italian origin including the matter of social security. As Prime Minister Trudeau indicated during his visit to Rome, the latter is a question of considerable technical and jurisdictional complexity in which quick progress is difficult. He also spoke about the Government's Green Paper on Immigration since it, too, came up for discussion. He affirmed that Italians would continue to be welcomed, as always, as immigrants to Canada.

One of the principal objectives of the Prime Minister's recent visit to Rome was to discuss a number of these various multilateral and bilateral matters with the Italian Government, and indeed with the Vatican. As the Prime Minister made clear in his press conference in Rome on March 7, discussions were conducted in a very friendly atmosphere, and on each of the issues -- to use the Prime Minister's words -- "we found that agreement was easy". There was satisfaction on both sides with the results. There is no doubt that bilateral relations between Canada and Italy were further strengthened by the visit.

But the Prime Minister had an additional and very important objective to attain. It had to do with the fact that Italy is one of the major members of the European Economic Community.

Canada is seeking closer relations, not only with individual members of the EEC like Italy, but also with the Community itself. The purpose is to help secure a counter-weight to the overpowering influence of the United States on Canada, and to obtain full appreciation and acceptance of Canada as a separate political, economic and social entity on the North American continent, distinct from the United States. During his visit to Rome the Prime Minister sought and received a sympathetic and positive response from the Italian leaders to Canada's desire to secure contractual links with the Community.

It comes as no surprise, therefore, that the Prime Minister's visit to Rome was a great success. The objectives of the visit were attained and he was received with the warmth and enthusiastic hospitality for which Italians are so justly renowned.

Consequently, I am happy to report to you that relations between Canada and Italy are in very good shape.

Communism
Public

FOR IMMEDIATE RELEASE

APRIL 4, 1975



STATEMENT
DISCOURS

OPENING STATEMENT AT
PRESS CONFERENCE BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
OTTAWA, APRIL 4, 1975

The Canadian Government is very seriously concerned by the tragic situation in Indochina. Clearly a major military offensive is taking place in South Viet-Nam; we deplore this, and especially we deplore the suffering which it is causing for the civilian population. As I said in my statement of March 27, the Government deeply regrets that the parties concerned have been unable to find a peaceful political solution. We appeal to all the parties concerned to end the fighting and to work toward a negotiated solution.

Canada must recognize that it is not in a position to play a significant political role in the current situation. There are some things, however, that Canada can and should do. We can and should do what we can to alleviate the suffering of the civilian populations in the affected countries; I shall have more to say about that in a moment. We can and should do something to meet the desires of refugees for whom departure from those countries seems necessary, and the desires of Canadians who wish to take them into their own families in Canada. I am thinking especially of orphans and of the close relatives of Canadian citizens and residents of Vietnamese origin. My colleague the Minister of Manpower and Immigration has made statements in that connection. We must also be concerned for the safety and, as necessary, for the evacuation of Canadians in South Viet-Nam.

Most Canadians in South Viet-Nam are now concentrated in the Saigon area. Some have already left, and arrangements are being made to assist the others to leave the country.

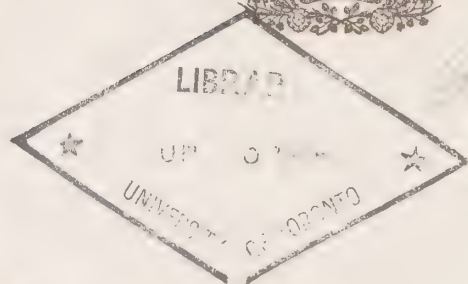
With respect to humanitarian assistance I can make the following announcement. To help meet the urgent need for humanitarian relief programmes in South Viet-Nam and Cambodia, arrangements are being made to provide emergency assistance immediately and in the longer term. The first phase of Canada's response to this changing situation will consist of a total of up to \$6.25 million. On March 27, I announced a portion of this, a \$1.75 million dollar contribution to UNICEF, UNHCR and Red Cross emergency relief programmes. An additional \$2 million dollars will be contributed through CIDA to these organizations. We also plan to provide \$2.5 million dollars in food aid based on need and the availability of secure distribution points. A second phase of relief assistance is also being planned and the specifics of this phase will be announced later. Details of the present programme of humanitarian assistance are given in the press release distributed here today.

FOR IMMEDIATE RELEASE

APRIL 22, 1975

Government
Publication

STATEMENT DISCOURS



STATEMENT MADE BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
AT A DINNER GIVEN BY
DR. OKOI ARIKPO,
NIGERIAN COMMISSIONER
FOR EXTERNAL AFFAIRS,
LAGOS, APRIL 15, 1975

Your Excellency, Distinguished Guests,

I am very grateful to the Government of Nigeria for an invitation which gave me the opportunity to make my first official visit to Africa in Lagos, the capital of your country. The most stimulating discussions we had this morning, Dr. Arikpo, as well as at my meeting later in the afternoon with your colleague, the Commissioner for Mines and Power, Alhaji S. Ali Monguno, have very much met the goals we had set for ourselves before coming here.

I believe we have laid the foundation for much closer co-operation between Nigeria and Canada in the United Nations and other international arenas, where our governments pursue very similar objectives. You also confirmed that the Government of Nigeria is as convinced as we are that we must expand and intensify bilateral relations in all fields between our two countries; trade, technical and industrial co-operation, of course, but also human contacts and cultural exchanges, for our two peoples have much to learn from each other. I was gratified to learn that you share our feeling that political consultations between our two governments must become more regular and cover a wider range of international issues and mutual interests.

I hope that our discussions have opened a further phase in the relationship between Nigeria and Canada. This relationship started very soon after your country's accession to independence. It has been a warm and a close relationship, both exemplified and strengthened by the personal friendship between your distinguished Head of State, General Yakubu Gowon, and Prime Minister Trudeau. During those years we have discovered that, although separated by climate, culture and the Atlantic Ocean, Nigeria and Canada have much more in common than appears at first glance. A few days before I left Ottawa, a spring storm brought down ten inches of snow to prolong our interminable winter; so that indeed the balmy clime and luxuriant vegetation that we found in Lagos is a welcome change. But underneath this exotic environment, we have found in Nigeria a remarkable social experience to which Canadians can readily relate because it is very close to their own.

You are a very old people with a glorious past and timeless traditions; but you are also a young country, striving to build a solid national framework for the social and economic betterment of all Nigerians. The people of Canada are much younger and, although their national state has been in existence for somewhat longer than yours, they are still adapting their political system to their varied needs. Canadians have forged, over the years, a motto to describe their own social experience: Unity in Diversity. I understand that the Nigerian motto is very similar: One Nation.

As you know, Mr. Commissioner, Canada, like Nigeria, is a bilingual and multicultural country, with a very large territory and therefore many distinct provinces and regions. The Government of Canada is firmly convinced that all these language groups, provinces or regions, must continue to enhance their own identity within the framework of the Canadian federal system. There again, our two countries have much in common, for your government is also dedicated, Mr. Commissioner, to unity and faith within the Nigerian national framework.

Through the years, Canadians have also found much to agree with and support in the foreign policy for which you are responsible, be it at the United Nations, in the Commonwealth or within the several African institutions where Nigeria plays a leading role. You have stated your goals and principles firmly, but you have strived to achieve or implement them in a flexible and pragmatic fashion, mindful of the constraints of action and respectful of international law and the rights of other countries. Our two leaders will have once again an opportunity to act in concert at the Commonwealth Heads of Government Meeting in Kingston, at the end of the month. In your own West Africa you have patiently built bridges between the English and French speaking countries established after the colonial period and attempted to reinstate in a contemporary mould the co-operation that was traditional between the peoples of the area. In this respect, I was pleased to learn that your long-standing efforts to establish a West African economic community are now very close to fruition.

As you know, Mr. Commissioner, the Government of Canada has begun some time ago to adapt its foreign policy to a new set of realities and conditions. Some of these realities are internal to our own society; Canadians have become more conscious, in recent years, of their own national identity and of the need to project it more forcefully on the world scene. But we also have become very much aware of the changes which are under way in the international environment. The most significant of these changes, perhaps, is the rapid emergence of developing countries in the concert of nations.

The dramatic political initiatives taken recently by the third world at the United Nations and its agencies, particularly their call for a new economic order, may have taken some by surprise; but in fact, they are an integral part of the historical movement triggered by decolonization and the accession to independence of African and Asian peoples.

Although we support the efforts of third world countries to accelerate their development and bring about a more equitable distribution of wealth in the world, we have been somewhat concerned by the strains which some of these initiatives have placed upon international institutions:

not so much because we seek to preserve within these organizations the power of the industrialized minority, but because we want to maintain and even improve their effectiveness for the resolution of international conflicts, be they military, political or economic in nature.

The Government of Canada also feels that we must go beyond declarations and statements of principles and search for practical solutions to the very real problems raised by the third world. A long-drawn confrontation between developing and industrialized countries would be sterile and fraught with danger. We feel that a strategy of accommodation and negotiation would be in the best interest of all; and I believe that, in many respects, the Government of Nigeria shares our feeling.

This is very much what brings me to Africa. We want the next special session of the United Nations on development to succeed, that is, to lead to concrete results.

Accordingly, the Government of Canada has recently established an inter-departmental committee to review the full range of our economic relations with developing countries and to identify the possible areas where changes can be gradually introduced to establish a more balanced relationship between ourselves and other industrialized countries, and the third world. But we felt that technical studies were not enough, that we had to consult with developing countries and especially with those like Nigeria which have become, in recent years, quite as important for us as some of our more traditional friends and partners on the international scene.

However, we Canadians feel that we must not be content with action at the multilateral level. We also hope to strengthen our bilateral relations with the countries of the third world. We have tried, in the past, to co-operate with them through economic and technical assistance. But we feel that we must go now beyond this form of co-operation to expand trade, engage in mutually beneficial investments and industrial co-operation as well as cultural exchanges, and forge new links in all areas of human endeavour. We hope that this approach will be beneficial to developing countries, but I tell you quite frankly, Mr. Commissioner, that we expect it also to be in our own national interest.

The strengthening of our relationship with Nigeria and other African countries is an important element of our policy of diversification of external relations, alongside with the forging of new links with Europe, Japan and the maintenance of a harmonious and balanced relationship with the U.S.A. In fact, Canada's foreign policy has become universal and is now seeking new partnerships in all directions.

This visit to Africa also provides me with an opportunity to renew Canada's commitment to share her wealth with developing countries and to adapt her international development policy to the changing needs of developing countries. In this respect, Nigeria has set a remarkable example for us. Your government, Mr. Commissioner, has sought to use its new-found wealth for the social and economic betterment of your people; but you have also accepted in a wholly admirable way to share some of that wealth with other countries. I would like to pay tribute to the spirit of international co-operation that has inspired your recent contributions to the African Development Bank, to the International Monetary Fund Oil Facility for Developing Countries and the Commonwealth Fund for Technical Co-operation.

It is in the same spirit that Canada will try to adapt its own international development co-operation to the new priorities set out by your government, in the Third National Development Plan recently launched by His Excellency General Gowon. We hope to contribute to the implementation of this plan. We will look carefully at the priorities set out in it and ensure that the new guidelines which we are now preparing for the Canadian International Development Agency will be in harmony with Nigerian priorities. We also took good note, during our meetings of the fact that Nigeria now needs essentially skilled manpower and technical training to accelerate her development; and I assure you that Canada's response will be a positive one.

I know, in particular, that your government attaches the utmost importance to the Universal Primary Education Programme. We hope to be of some assistance in the planning of this ambitious endeavour, if only because some of our own Canadian provinces have accumulated considerable expertise in this field through the planned expansion of their own education systems in recent years.

Your Excellency, distinguished guests, I invite you to raise your glass to the health of the Nigerian Head of State, His Excellency General Gowon, to the prosperity of the Nigerian people, to the future of Nigeria, and to still closer and friendly relations between our two countries.

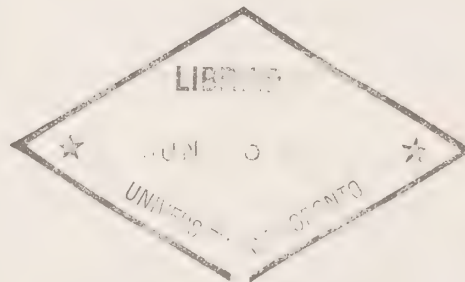
FOR IMMEDIATE RELEASE
APRIL 29, 1975

Government
Publications

STATEMENT DISCOURS



STATEMENT BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J. MACEachEN,
AT ACCRA
ON APRIL 24, 1975



I have long been anxious to visit Africa. I considered it an essential part of my new duties to do so as soon as feasible after assuming my present portfolio in August last year. Africa is today a focal point of creative change and a major area of Canadian concern. At this time, I have been able to pay only a brief visit to West Africa but my stay in Ghana is naturally a highlight of this short tour of five important African states.

We, in Canada, are well aware that Ghana was the pioneer and crucible of decolonization, independence and unity in Africa, a political, economic and cultural process which is entering its culminating phase. We know what an effective contribution Ghana is now making in the achievement of closer ties among West African states. Your important role in the creation of the convention of Lome between the ACP (African-Caribbean-Pacific) and the EEC (European Economic Community) was underlined when the final and crucial meeting of ACP Ministers took place in Accra. It is not surprising that a very able Ghanaian has for a long and creative period been the Executive Secretary of the UN Economic Commission for Africa.

There are also strong bilateral reasons for my visit here. Canada has had diplomatic relations and, more important, close and friendly ties with Ghana for longer than with nearly all African states. Our bilateral relations have developed in many fields of mutual concern. We have consulted and cooperated closely on a variety of important foreign policy questions. Official and personal visits and exchanges between our two countries have been a warm and many-phased feature of our relations since before your independence in 1957.

Economic development has been a strong theme in our relationship. We have been very pleased to collaborate with you in a number of successful projects. In accordance with your wise and vigorous policy of self-reliance these cooperative ventures have, of course, been based on your national priorities and your desire to strengthen the economic sinews for self-sustaining growth. We are pleased that our own slight contribution to your strenuous economic development programme has had such creative results in a variety of fields from power to water to transport to education, food and communications. We have been much impressed by the achievements to date of Operation Feed Yourself and hope very much to find further ways for cooperation in the development of Ghana's abundant agricultural potential.

We know how crucially important to your economy the next few years will be in the furtherance of your economic goals as outlined in the five-year development plan guidelines. We

know too the severe burden laid on your economy by quadrupled oil costs just when your economic growth was starting to surge forward. We pledge, therefore, to sustain and increase our development cooperation with Ghana in this highly important plan period. Development is, of course, buttressed and interwined with trade, both domestic and international. In accordance with your philosophy of self-reliance, we would be delighted if mutually profitable trade between our two countries could be expanded as a contribution to the development of both our countries. I am pleased to have the opportunity to explore promising new avenues for trade with your government during my stay here. Three trade delegations from the province of Ontario in Canada have visited Ghana in the last year. Ghanaian trade officials will be visiting Canada in the months to come.

Our relations in the cultural field have been fairly limited to date. We, in Canada are, however, becoming increasingly attracted by the rich and varied heritage of Africa. Canadians of African origin may be participating in the Black Arts Festival in Lagos. I hope that my visit here will lead to an increase in cultural exchanges and interest between our two countries. In the field of sport, for which Ghana is well know, we look forward to an enthusiastic Ghanaian participation in the 1976 Olympic Games in Montreal.

The usefulness and creative potential of the warm friendship between our two countries is not confined to our bilateral relations. In an expanding variety of international organizations, our representatives have worked harmoniously together, often helping to bridge divergent viewpoints for the benefit of wise compromise decisions. As an original member of the Commonwealth, we were delighted to welcome Ghana in 1957. We have both been enthusiastic supporters of this very useful multinational forum embracing countries of every race and continent who share similar ideals and a common working language. Ghana and Canada have helped turn this forum and club into a workshop, a workshop of professional, vocational and technical cooperation with a multitude of institutions and meetings through which skills and ideas are fruitfully exchanged. In this expanding dimension the Commonwealth Secretariat has played a contral role. It was Ghana who first suggested the idea of the Commonwealth Secretariat in 1965 and its first Secretary-General, who will soon be completing his ten creative years of office, is a Canadian. His first Deputy Secretary-General was a distinguished son of Ghana and of Africa. It was appropriate that Canada and Ghana were both represented in a small committee of very senior commonwealth officials who recently reviewed secretariat activities. These are examples of our effective collaboration within the commonwealth which will have one of its periodic and very fruitful Summit Meetings in Jamaica this month.

In the UN, Canada and Ghana have both been strong supporters of the peacekeeping concept and operations. Our support has been not simply oratorical or financial. We have both contributed large numbers of our men to UN forces and observer groups which have carried out this delicate and difficult but essential work. Unfortunately, a number of our servicemen have lost their lives in this front-line work for international peace. We are naturally peaceseeking as well as peacekeeping nations. We both try -- and succeed -- to play active and constructive roles larger than our populations and strength would indicate in the laborious, intricate and endless task of regulating the conflicts and harmonizing the divergent interests of sovereign states.

Mr. Commissioner, you have referred to the situation in which the people of Ghana find themselves with respect to the present world economic system. You have stated that for your country's developmental efforts to have maximum effect, you need a world economic order which enshrines equity as its most essential underlying element.

Canada and most other countries, including particularly, the developing countries, find themselves beset by problems of monetary instability, inflation, high food prices and sharply increased energy costs. All these factors have severe implications for balance of payments positions and consequently for the ability of countries to manage their own economies. Moreover, in a world which is clearly becoming increasingly interdependent, it would be unrealistic to assume that economic and social conditions (be they good or bad) in one country or region would not affect the economic and social health of other parts of our globe.

Ghana and other developing countries are important to Canada as partners in an interdependent society and economy. Thus, as the International Trade and Payments System undergoes changes, Canada recognizes the need to explore what additional measures are appropriate to ensure that developing countries are able to derive further benefits from international trade, investment and finance. Such measures, in Canada's view, can best be achieved through cooperative efforts in which the real interests of all countries are addressed. Indeed, there is no more urgent development issue than the maintenance of world economic vigour, for when production and demand falter, all countries -- developed and developing -- are bound to suffer.

Canadians are pleased to witness the rapid shrinking of the area controlled by racialism and colonialism in Africa. We have hailed the historic decision of the new Portuguese authorities to grant full independence to all their colonies in Africa. We have embarked upon diplomatic relations with Guinea-Bissau, and we are sending, in the next few weeks, a special mission to Angola and Mozambique to lay the ground for good relations with these countries, as well as the smaller Portuguese territories of Africa, which will stand as free and sovereign members of the United Nations and the OAU (Organization of African Unity).

There have been some signs of progress as well in Rhodesia and Namibia, but the prospects are not clear and we are following developments closely indeed. It is not up to us to predetermine the terms of any eventual settlement in Rhodesia or Namibia. There is no doubt, however, that the world cannot accept any settlement not ratified by a solid majority of the population of these territories. We are hopeful that the day will soon come when the colonialist and racist regimes will understand that a new order of things has to be ushered in before all the peoples of Southern Africa can live in peace, prosperity and security.

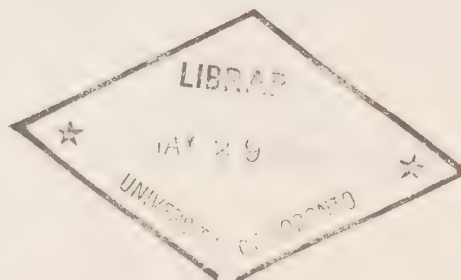
Ghana and Canada are divided by thousands of miles with sharply different climates and economies. In the tradition of after-dinner orators, I should not fail to note that we are united by the waters of the Atlantic Ocean. I am inclined to think, however, that the width of this mutual sea is so vast that one must regard it as, at best, a tenuous tie. I think we must recognize that Canada and Ghana are very different and very wide apart geographically. Our friendship, personal ties and very effective cooperation must therefore be regarded as striking proof that ideas and ideals unite more than distance can separate. We are in different spheres and hemispheres but not on different wave-lengths. Our economic and political cooperation transcend and dwarf the daunting distance between us. I am confident that this phenomenon will remain a solid fact of international life for very many years to come.

STATEMENT DISCOURS



Canada

NOTES FOR A STATEMENT ON
MIDDLE EAST POLICY BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
TO THE CANADA/ISRAEL
COMMITTEE DINNER,
WEDNESDAY, APRIL 30, 1975



I am pleased to join with my distinguished parliamentary colleagues in greeting you tonight on the occasion of the 27th anniversary of the State of Israel. As this is the first time I have had the opportunity in my present portfolio to be present at such an occasion, let me add that I attach the highest importance to Canada's relations with Israel. The Canadian people have always had and will always have special ties of friendship and respect for the people of Israel. I look forward to visiting Israel myself before the end of the year.

The last two years have seen important and far-reaching changes in the Middle East, changes which have carried with them new responsibilities for Canada. Indeed, in this relatively short period of time, our commercial, economic and financial ties with all the states of the area have grown rapidly. We have opened two new Embassies. We have provided some 1100 logistic and administrative personnel for the UN forces in the area and are the single largest contributor to the UN's current peacekeeping efforts in the Middle East.

With Israel an established market, we witnessed last year yet another increase in our two-way trade -- \$74 million in 1974 compared to \$58 million in 1973. Of the 1972 Export Development Corporation agreement with Israel, I understand that the full \$100 million has now been committed for projects involving thermal electric power stations, hotels and the Ben Gurion Airport.

I have mentioned peacekeeping. We are glad to make a contribution to this vital UN activity, not only because it is indispensable to the peace of the area but because it is in the Canadian interest to strengthen the capacity of the UN to help preserve international peace and security. We believe nevertheless that peacekeeping operations are a means to an end -- a peaceful settlement of the dispute. If the forces can help to maintain or establish a climate in which substantive negotiations can begin and if these are carried on in good faith, it is that much easier for Canada to justify her participation. In view of the present efforts by the parties concerned to seek alternative methods of negotiations, following the failure to agree to further disengagement in the Sinai, this task of the UN forces takes on a crucial importance.

The Government has not attempted to assert any preconceived notions about what might constitute the details of an eventual peace agreement. The parties themselves must work these out through negotiations on the basis of Security

Council Resolution 242 which, in the Government's view, continues to constitute a valid framework upon which to base the negotiations required to achieve a just and equitable peace settlement. Canada has consistently refused to interpret this Resolution or to draw implications from it that were not immediately apparent from the very wording of the Resolution. To do otherwise would, I think, prejudge the shape of any potential settlement. We have insisted, however, on the necessity for all the parties to negotiate their differences. We know this is very difficult when the security and sovereignty of states are at issue. But is there any feasible alternative to negotiations if a solution is to be found which will be acceptable to all peoples of the area?

The Government has fully supported all initiatives to this end, including Dr. Kissinger's efforts to achieve a further partial settlement between Israel and Egypt. We regret the breakdown of these efforts and trust that new elements may allow their resumption. I understand that there has been a call for the reconvening of the Geneva Conference on the Middle East. For my part, I would hope that an acceptable formula can be found which would allow for the participation at the Conference of all interested parties. What seems to me important is to build upon the stated willingness of each side to seek paths towards peace. To this end and depending on developments, a return to Geneva -- assuming that adequate preparations have been made -- might assist in the process towards a final negotiated settlement of differences.

It is clear that in the continuing efforts to achieve an eventual negotiated peace the Palestinians must play a role. Indeed, the re-emergence of the Palestinian factor in the Middle East equation culminated, as you are all aware, in a major debate at the last session of the UNGA. I reiterated at the time of the UN debate Canada's support for the right of the Palestinian people to be heard and participate in negotiations concerning their future status. At the same time, however, I firmly maintained the Government's refusal to comment on the form Palestinian representation should take in any such future talks. I trust I made clear the Government's view that this must remain a question to be resolved by the parties concerned. The Palestinian issue is not one which can be settled separately but must be placed in the context of the efforts to work towards an agreed and acceptable peace settlement to all parties concerned.

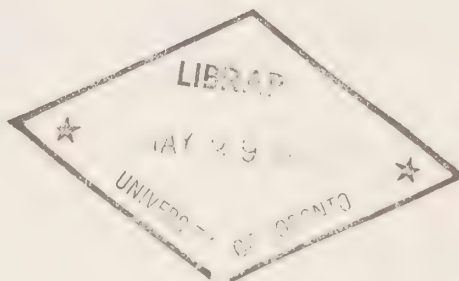
Against this backdrop of profound change in the Middle East over these last two years, Canada's longstanding commitment to Israel's right of survival as an independent state in the area remains firm. It follows from this as well as from our adherence to all the principles embodied in Security Council Resolution 242 that we remain opposed to any attempt to challenge the right of Israel or the right of any other state in the region to live in peace within secure and recognized boundaries free from threat and acts of force. Canada's earnest wish is to see all the peoples of the Middle East live out their lives in peace and security without constant fear of further war. A just and durable settlement of Arab/Israeli differences must be arrived at by the parties themselves through negotiations and not by a resort to violence. Terrorist activities of the kind which occurred at the Savoy Hotel in Tel Aviv last month can only be condemned.

From what I have said tonight, I think it is apparent that, despite greatly altered circumstances, the fundamental principles of Canada's policy on the Middle East remain unchanged. While the Government is prepared to evaluate all developments in a rapidly evolving situation in terms of their impact on the search for a peaceful settlement, it firmly maintains that such developments must not be allowed in any way to prejudice the continued existence of Israel. What is important for Canada now as it has always been in the past is that Israel and her neighbours continue the process towards a negotiated peace, freely arrived at, and acceptable to all. No effort should be spared, and no opportunity missed, in pursuit of this objective, which when achieved would allow Israel, free from present constraints, and, in a climate of independence and confidence, to concentrate on the task it has always set for itself: the promotion of the social, cultural and economic development of its people.

STATEMENT DISCOURS



NOTES FOR A
SPEECH ON AID
TO ST. MARK'S UNITED CHURCH,
PORT HAWKESBURY, NOVA SCOTIA.
SUNDAY, MAY 4, 1975



The subject I wish to discuss with you this morning is aid to developing countries and more broadly Canada's relations with the Third World. Considerable attention has been focussed recently on this subject, in the press, within our Government and in international forums. In trying to define a future role for Canada in this area, I have been asking myself some very fundamental questions. These, I think, go to the heart of an assessment of what Canada can and should do in assisting the Third World.

First, what are the basic reasons for having an aid programme?

Second, what level of aid expenditure does the Canadian public, and more specifically the Canadian taxpayer, wish to support? I have in mind here Canada's domestic economic situation and the possibility of alternative ways of spending public funds for domestic programmes.

Third, in what way can the public and non-governmental organizations be encouraged to play a more active role in aid and development matters?

Fourth, how can Canada and other wealthy developed countries assist developing countries in ways beyond the provision of aid?

Fifth and finally, is there a need, as many developing countries have asserted, for a new international economic order?

In considering aid policy toward developing countries, one must seek the basic reasons for having an aid programme in the first place, and for transferring significant resources and wealth from one country to others.

We are all a part of the community of man. One of man's primary claims to civilization is that he is prepared to care for his fellow man and share his wealth and resources with others. This manifestation of civilization can be seen in a family, a community and a nation, and it can also be seen among nations. It is, in my view, the primary reason for providing assistance to countries less fortunate than our own.

Such assistance can take many forms.

It can be justified on humanitarian grounds, particularly when there is an urgent and immediate need for relief when natural disasters and man-made conflicts have caused widespread suffering among innocent victims.

Or, aid can be of a longer term nature aimed at creating self-sufficiency in an economy where none exists. In such cases its aim is to elevate living standards and levels of production in an economy so that development in this economy will eventually become self-sustaining. I hold the view that a special emphasis in the providing of aid should be placed on the needs of the poorest countries in the world and, within them, on the poorest sectors of society.

An aid programme can also be viewed as being advantageous from the point of view of the donor country. The result of a sustained and satisfactory relationship based on an aid programme can be the strengthening of relations between the countries concerned, with long-term benefits for them in a wide variety of fields such as trade, investment, industrial co-operation and cultural exchanges. On my recent visit to Africa, I have seen the results of our substantial aid programmes there, in terms of both the benefits to the recipient countries and the warm and friendly relations between Canada and these countries.

My second question concerns the level of aid spending which the Canadian taxpayer is prepared to underwrite.

One might think that, in view of our own economic difficulties, people would want to cut back on aid. But in my experience Canadian public support for Government spending on foreign aid is strong and growing. In the correspondence which I receive I am urged much more frequently to do more for developing countries than I am to do less.

Canadians are a fortunate people. Our country is one of the wealthiest in the world, both in terms of living standards and in terms of natural resources, including particularly food and energy, two areas which have been focal points of global concern in recent years. As a result, Canadians can afford to be generous, and in my experience they are inclined to be generous, when it comes to our relationship with countries of the Third World.

But it is not simply a matter of generosity. We live in an increasingly interdependent world. The well-being of developed countries like Canada is more and more bound up with the fate of the developing world. Our best interests, therefore, require us to assist developing countries. Governments of some developed countries have experienced inward-looking and isolationist pressures which would have them restrict or curtail their aid programmes and limit their efforts exclusively to the search for solutions to domestic problems. But Canada must be and is an outward-looking nation, dependent on good relations with countries in many parts of the world.

The Canadian public, in my view, recognizes these realities and therefore strongly supports the thrust of our important and growing aid programme.

Related to public support for aid is the question of public involvement.

I have wanted for some time to bring members of the public and non-governmental organizations more directly into the foreign aid process. Participation by individuals and groups of persons interested in Canada's assistance to countries of the Third World is being facilitated and encouraged. Canada's non-governmental organizations have long participated actively and effectively in providing aid to developing countries, particularly in the field of humanitarian and emergency relief. The Canadian International Development Agency has made available increasing amounts of funds for Canadian non-governmental organizations to strengthen their capacity to play a significant role in assisting the peoples of the Third World. This financial support will continue to grow.

A new dimension of public participation will be made possible by Canada's new voluntary food aid programme which is a direct outgrowth of the World Food Conference held in Rome in November of last year. I shall seek through this programme to encourage and facilitate participation by the provinces, the public and non-governmental organizations in our food aid efforts. This will give all those who want to take part as individuals or organizations in our aid activity a greater opportunity to do so. The programme will be coordinated by the Federal Government and will, I hope, prove to be a cooperative venture involving many sectors of Canadian society in a global undertaking in which Canada plays such an important role.

I turn now to my fourth question. How can Canada and other wealthy countries assist developing countries through means beyond aid programmes?

Increasingly, the developing world has been seeking ways of going beyond aid in its relationship with the industrialized world. Aid is but one factor in influencing the development performance of a poor country. For such countries, basic trade and monetary issues, the prices of their export commodities and the prices of the goods they must import, are more crucial to their future and their prosperity than aid flows. More and more developing countries want to outgrow their role as aid recipients and participate as full and equal partners in an international economic system which to date has left them somewhat on the periphery.

Steps must be taken to give higher priority to the trade, monetary and financial problems of developing countries. They seek more favourable treatment for their exports. They would like improved access to capital markets, and they want arrangements in the international monetary system which more adequately meet their needs. We are working towards these objectives at the Multilateral Trade Negotiations under the GATT, through the International Monetary Fund and the World Bank and through the United Nations system. These matters are being discussed at the Commonwealth Heads of Government Meeting now being held in Kingston, Jamaica, and we look forward to the opportunity at the Seventh Special Session of the United Nations General Assembly to be held in September of this year, for further progress in this important area.

Finally, I should like to address the issue of whether or not we need a new international economic order. A call for a new international economic order has been made in the past year by the developing countries. This appeal is often made in strident tones caused by the frustration of years of economic stagnation and deprivation in a world in which prosperity and wealth continue in a kind of peaceful coexistence with poverty. There is confidence and unity in this demand by countries of the Third World for a new system which will place them relatively in a more advantageous position in the world's economy, not as recipients of the fruits of the voluntary generosity of the rich, but as equal partners in and benefactors from the system itself.

Their approach initially caused concern among many policy makers in the developed world. The concept of a new order implies the destruction, or at least the drastic reform, of the old. And yet it is clear to all perceptive observers of the international scene that we are already in the midst of a process of transition toward a new international economic order. This is a process in which the concept of interdependence has taken on a new and more balanced meaning. Not only are developing countries dependent on the industrialized countries, in areas such as aid, technology and investment, but the industrialized countries are dependent on the developing countries, particularly in the area of natural resources.

If the old order resulted in exploitation of the poor by the rich let there be an end to that exploitation. If the old order is responsible for what seems to be an impenetrable gap between rich and poor around the world then perhaps its basic premises must be examined. What is needed at this time is dialogue, and co-operation between the developed and developing worlds in order to deal with the inevitable trend towards new forms of interdependence.

A new economic order need not imply rejection of all our institutions and our basic political and economic philosophies. It does mean change in our international economic system so that the greatest possible number of people will benefit from that system, so that ultimately, peoples and nations will be able to live in greater dignity and in harmony free from the oppression of poverty. If such poverty is not tackled by a responsive economic system, it will generate misery and conflict on a tragic scale in years to come.

The costs in domestic economic terms of supporting a new international economic order have not been fully assessed. The new international economic order itself has not been specifically defined. Broad concepts will have to be translated into concrete measures. But I remain confident that as the world changes, as it must, and as its economic system evolves, Canadians will be prepared to meet their reasonable share of the burdens and thus play an important part in making the world a better place in which to live.

Thank you for giving me this opportunity of speaking with you.

STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.



NOTES FOR A
SPEECH TO OTTAWA BRANCH,
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
(THE HONOURABLE ALLAN J. MACEachEN,)

CANADIAN INSTITUTE OF
INTERNATIONAL AFFAIRS

MAY 20, 1975

Perhaps the Ottawa Chapter of the Canadian Institute of International Affairs has an unfair advantage over those of other cities in Canada. Since your Chapter is located in the country's capital, you are naturally closer to decision-making centres in foreign affairs; you have access to the considerable expertise in this field which exists in the Department of External Affairs and other federal agencies involved in the conduct of Canada's international relations; you can draw upon the insights of the numerous foreign diplomats and other representatives who are either accredited in Ottawa or come here on official visits; and you can expect that the Secretary of State for External Affairs will always be pleased to accept invitations such as the one that brings me here this evening.

But there must be a limit to partiality. As a Maritimer, I feel strongly that even if Ottawa deserves much, the federal government must spread the wealth a little across the country. My colleagues from Quebec, for some reason or other, always tend to agree with me when I speak this way; and my friends from the western provinces -- for, believe it or not, we Liberals still have many friends in the Prairies -- are almost incredulous when I tell them that this doctrine applies equally to them! Still it was in Winnipeg, soon after my appointment to External Affairs and before another Chapter of the CIIA, that I delivered my first major speech on foreign policy, which dealt with the important issue of U.S./Canada relations. In March, I had an opportunity to speak in Quebec City before your sister institute, the Centre des relations internationales du Québec. In fact, as long as I hold this portfolio, I plan to maintain a very close relationship with the CIIA.

I sometimes hear my colleagues, especially those holding economic portfolios, complain about all the lobbies and sectional interests to which they must cater. But I have no such complaint; I can only hope that Canadians will take a more active interest - sectional or otherwise - in the Government's foreign policy and more generally in Canada's involvement in the world. I sometimes wish, for example, that the business community in Canada would be more bothersome; for this would mean that they are more fully aware of those policies - such as trade diversification, the negotiation of a contractual link with the European community, the strengthening of our economic relations with Japan - which afford them great opportunities and which indeed cannot be implemented without the aggressive participation of Canadian industry.

But there are many other dimensions to foreign policy: our involvement in the United Nations and other international agencies, our defensive alliances, our involvement in an extremely complex network of power relationships, which is becoming even more complex as a result of Détente, the growing role of the People's Republic of China in world affairs, the prosperity and rapid development of oil producing countries - particularly the Arab States - and finally the emergence of the Third World from the post-independence era and the ensuing call for a new international economic order. People no doubt find these developments somewhat disturbing, what with the flash of headlines, the explosion of rhetoric and the drama which surrounds tragic events such as the assassination of King Faisal and the end of the war in Indo-China, to take only two of the more recent ones. And yet, in a democratic society, the public must be persuaded to look "behind the headlines," as the CIIA does, to understand the realities of international affairs and therefore the rationale and motives of their government's foreign policy. This is why I attach the utmost importance to the activities of voluntary organizations such as the Canadian Institute of International Affairs. Your Institute has done much in the past to encourage the dispassionate analysis, understanding and public discussion of foreign policy issues; and I can only hope that your activities will continue to expand and reach a broader cross-section of public opinion.

I referred musingly a minute ago to the need to spread the wealth within Canada; but there is an even greater need, today, to spread the wealth around the world, to spread it effectively and in an orderly fashion through international cooperation, so as to enable the "have-not" countries to accelerate their social and economic development and raise the living standards of their peoples above the threshold of subsistence, while avoiding a confrontation which could impose severe economic strains upon the "have" countries - that small group of industrialized countries which must provide the capital and technology required by the Third World. This is what the demands for a new international economic order, formulated by the Third World at the last Special Session of the United Nations, amount to; and it is a challenge of truly historic proportion.

The Government of Canada has accepted this challenge. As the Prime Minister said at the Mansion House in London, in March: "The challenge is a challenge of sharing: of food, of technology, of resources, of scientific knowledge. None need

do without if all will become good stewards of what we have. And to ensure that, we must concentrate not so much on what we possess but on what we are and what we are capable of becoming." This challenge was a central issue at the Commonwealth Heads of Government meeting in Jamaica, last month; this challenge is being faced by the group of experts set up by that conference; and it was also this challenge that led me to visit five West African countries in April to discuss among other things with their leaders how we might shape the evolving relationship between developing countries and the industrialized world. These discussions confirmed to me how rapidly the context in which development issues are viewed is changing.

Until recently, international development could be discussed almost exclusively within the framework of bilateral and multilateral aid programmes. True, there were a few experts, a few Cassandras, who claimed that international assistance was not working, since there could never be enough of it to finance the social and economic transformation of the three-quarters of the world that live in poverty. True, the developing countries were not only clamouring for more aid, but also asking, in UNCTAD and other arenas, for a revamping of international trading arrangements which would enable them to "earn their own way," so to speak, that is to finance their development out of export earnings. All of us were familiar, long before the Seventh Special Session of the United Nations, with the slogan "trade not aid".

Yet international development was still mainly discussed with reference to the aid relationship. Statistics were endlessly recomputed, as if more dollars could be wrung from figures. A call to do more invariably meant more money for international development agencies. Studies and reports tended to focus on various aspects of the aid relationship; bilateral versus multilateral aid, agriculture versus industry, the sending of experts versus technical training, ways and means to relieve them of their debt burden, or to coordinate more effectively assistance made available to them from various sources. By and large, the contribution of donor countries to international development was still considered as a response to a moral imperative. The affluent sought to buy their peace of mind with a slice - quite often a substantial slice - of national budgets. The problem thus defined, only a predetermined set of questions needed to be answered. The technicians having taken their cue from the moralists, vital issues of development were thrown out with the bath water of aid.

What has changed recently is that, while remaining a moral imperative, international cooperation in the field of development has become a political necessity. The persistence of acute economic disparities in the world, the lack of effective and visible progress to reduce them, now appear quite obviously, in my view, as a threat to international stability and a recurrent source of tensions and conflicts. You are no doubt aware of the strains placed upon the United Nations during the last session by some of the initiatives and tactics of the so-called new majority from the Third World. You are also aware that the sudden and very considerable increase in the price of oil decreed less than two years ago by OPEC countries has been a source of acute economic difficulties for the rest of the world - developing as well as developed. I cite these examples not to blame this or that group of countries: indeed, I think that very little would be achieved by passing the buck and distributing the blame. But these two sets of events well illustrate my point. The countries of the Third World sought to advance their political interests in the United Nations through questionable means; but they did so because they felt that all other avenues were blocked. Similarly, the OPEC countries raised the price of their oil much too suddenly; but they did so in an international economic environment where inflation had been rampant for years with little being done to check it, and where there existed no effective framework for negotiations between producers and consumers.

The fact that history never quite repeats itself should not prevent us from learning what we can from those recent events. If we are really sincere when we say that we do not like cartels because they are not the most effective means to maintain a balanced and equitable economic relationship between producers and consumers of raw materials, then we should use our imagination and determination to forge better instruments. Similarly, if we are really serious when we claim that Third World countries are endangering the network of international institutions by attempting to achieve through them purposes for which they are not suited, then we should seek more actively, in cooperation with them, arrangements which would suit these new purposes.

The interdependence of all nations has become the cliché that graces after-dinner speeches such as this one. Yet, we are faced today with the hard realities of such interdependence. OECD countries can no more attempt to resolve collectively the problems of the industrialized world than the OPEC countries can resolve those of the oil-producing

world; and similarly for the wheat-producing world, the iron ore-producing world, the coffee or cocoa-producing worlds. Canada, like all other countries, is part of all these worlds, as consumer or producer and often as both. This is why the government has undertaken a comprehensive review of its economic relations with developing countries; and needless to say, this review must take into account Canada's changing relationship with other developed areas of the world such as the United States, Europe and Japan.

This review goes much beyond the activities of the Canadian International Development Agency, for which we are now framing a new set of operational guidelines for the next five years. It encompasses commercial policy - both the modalities of our participation in the multilateral trade negotiations now going on in Geneva and the instrumentalities of our bilateral trade with developing countries. It encompasses also our approach to international commodity agreements, the ways and means by which Canadian technology is made available to developing countries, the framework within which Canadian enterprise can participate in the industrialization of the Third World. We are seeking, of course, arrangements which will be beneficial to developing countries; but we are also seeking those arrangements which will be the least costly in terms of Canadian interests. For if we are really to abandon our exclusive reliance on the aid relationship to accelerate international development, then a greater element of mutuality must gradually be introduced in our overall relationship with developing countries. We are asked to open more liberally our markets to the manufactured products of the Third World; but if we do so, I think it would be reasonable to expect developing countries to keep in mind the textile workers in Quebec, the small assembly plants in the Maritimes, the farmers in the Prairies. We are asked to ensure that commodity producers in the Third World receive fair prices for their exports; but if we do so, I think it would be reasonable to expect them to recognize that our economic well-being also depends heavily on the export of primary commodities. And if developing countries want us to take account of their interests as consumers of wheat, say, then perhaps they should keep in mind that Canadians are heavy consumers of sugar, coffee and other tropical products.

You may ask: why should they do so? Are they not incomparably poorer than we are? Are we not rich enough, developed enough, both to assist the developing world and to look after our own interests?

In the abstract, there may be some merit in that line of reasoning; but in the real world, it leads nowhere. No Government of Canada could alter its economic policies in favour of developing countries, unless it were supported by the Canadian electorate; and the Canadian electorate is made up of workers and farmers from Quebec, the Maritimes, the Prairies and other regions. These workers will not support policies that would deprive them of their jobs overnight; but I believe they would support adjustments in the Canadian economy which would gradually make room for the manufactured products of the Third World, gradually improve their export earnings from raw materials, and gradually convert those Canadian regions that would be affected to new industries which may better reflect the country's fundamental trade advantages and whose products could be exported in return to developing countries.

What will be the outcome of the review now underway? Quite frankly, I do not know. The Interdepartmental Committee which we have set up for this purpose has been meeting for only a few months; its preliminary working papers are not yet completed. But I know that the extent to which we will be able to adjust our economic policies to the new realities of international development will depend on a great many factors. First, it will depend upon the state of the world economy, since a resumption of growth in the world would stimulate exports and production in Canada and enable the Canadian economy to adjust more easily to a new trading pattern, more favourable to developing countries. Secondly, it will depend upon how successful we will be in curbing inflation while maintaining the domestic rate of growth in Canada: so that the efforts of my colleague, the Minister of Finance, in negotiating a programme of voluntary restraints with the various sectors of the Canadian economy have a direct bearing upon our ability to meet the demands of the Third World. Thirdly, it will depend upon how successful we will be in persuading other industrialized countries to follow suit. For we live, after all, in a competitive world; and adjustments which might be easily bearable were they to be made simultaneously in the United States, Europe and Japan would become unbearable if Canada were to be the only country to undertake them. It will depend, finally, on a lot of other factors: the ability of developing countries to leave slogans aside and to deal with practical issues; their willingness not to interject in every discussion on economic affairs extremely difficult and hardly related political issues such as the Middle East conflict; the skill, flexibility and imagination which politicians and technicians from all countries will be able to muster.

But certainly one can imagine a different world economic environment in which international development would proceed at a faster pace and in the right places. In such a environment, the industrialized countries would have become the "arsenal" of world development, through the conversion of their less efficient consumer goods industries into supply bases for agricultural development and industrialization programmes in the Third World. The investment patterns in the industrialized regions would gradually have shifted towards capital goods industries, producing the industrial machinery and equipment which Asia, Africa and Latin America would absorb in huge quantities. The countries of the developing continents could then afford to purchase such machinery and equipment, with the substantially increased earnings they would derive from exports of commodities and manufactured goods to the "old" industrialized countries. Easier access to the markets of these countries and perhaps to those of other developing countries would have occurred gradually, so that appropriate industrial conversion plans would have been implemented in the affected regions. Quebec workers might then be manufacturing rice-cultivation machines for Bangladesh, instead of textiles; Maritime industries might be supplying mass-produced pumps for the Sahel irrigation network and fish-processing plants for the West African coast; Prairie manufacturers might have become suppliers of agricultural inputs - from tractors to fertilizers - for much of the Indian sub-continent.

The development plans of numerous developing countries would have become self-financing, following the negotiation of international commodity agreements which would establish stable and profitable prices for raw materials and agricultural products. Stockpiling and proper planning would avoid gluts or shortages of agricultural products, in spite of the occasional crop failure; while adequate conservation measures, combined with sustained exploitation and research, would stabilize the supply and demand for minerals.

International financial institutions would operate in such a manner as to facilitate international investment under secure conditions in developing countries, so that countries with balance of payment surpluses - particularly OPEC countries - would be able to finance massively and profitably the industrialization of the Third World. Appropriate national and, if necessary, international mechanisms would regulate the activities

of transnational corporations. These mechanisms would ensure, among other things, that the financial and personnel practices of these corporations are beneficial to host countries; that taxation, local re-investment and profit repatriation regulations provide a stable base for investment and that nationalization of assets takes place in accordance with recognized procedures. With the assistance of "old" industrialized countries, the Third World would begin the long, slow process of building up its own technological base; while the existing R & D capacities of developed countries would be increasingly devoted to resolving the technical problems faced by developing societies.

One can always dream, you will say! But I challenge anyone to show that the "new international economic order" which I have projected into the future is not entirely feasible, technically and economically, given time, a lot of hard work and the will to bring it about. I would go further and claim that a gradual shift of Canadian policies in that direction would be fully compatible with most of our other national goals. I would even contend that the achievement of some of these goals, such as trade diversification and regional development, might be greatly facilitated. Eastern Quebec and the Atlantic Provinces, after all, are much closer to Africa and Latin America than is southwestern Ontario; so that these less-developed regions would gain a locational advantage for industry, should Canadian trade patterns shift towards these overseas markets. Similarly, the Western Provinces would undoubtedly benefit from the expansion of our markets in Asia.

In conclusion, I would like to emphasize that irrespective of the new trade and financial arrangements which the international community might be able to implement in coming years, there will always be a considerable need for development assistance. Even the best of arrangements will never fit adequately the requirements and conditions peculiar to each country; and we cannot expect the economic benefits from such arrangements to be distributed equitably among all developing countries. Oil, for example, is and will remain a more valuable product than iron ore or cocoa; the bargaining power of some commodity producers will always be greater than that of others because some resources are concentrated in fewer countries; and of course there are quite a number of places in this world with few resources in relation to the population they must sustain and whose development, consequently, will require substantially more outside capital.

So no matter what transformations occur in the world economy, the wealthier countries will have to maintain development assistance programmes. It may not be the answer to the problems of the Third World; but it is certainly an essential component of the development equation. In fact, I would compare the function of international aid to that of equalization payments and other federal grants within the Canadian framework: it seeks to ensure that, in the long run, none of the peoples in the community of nations will be forced, for lack of means, to live below the minimum standard set for human decency.

In this respect, I should say that I have been most concerned recently by the stagnating levels of development assistance in many traditional donor countries and by the cuts which economic difficulties have forced some donors to practise in their aid budgets. These alarming developments unfortunately buttress the point I made earlier: that economic interdependence is a reality from which there is no escape. The balance of payments difficulties of one group of countries, which have caused them to reduce their financial assistance to a second group of countries, resulted less from domestic mismanagement of their economy than from a four-fold increase in the price of energy imposed by a third group of countries! And the downward spiral can go on: less development assistance will mean fewer imports by developing countries; less imports will mean a smaller output of manufactured goods by industrialized countries; less output of manufactured goods will mean fewer imports of raw materials from developing countries; and so on.

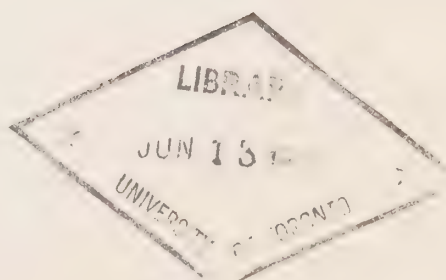
It is urgent that we cut through this vicious circle everywhere possible, if we wish to restore the rate of growth of the world economy at a high but sustainable level. I would suggest, for example, that donor countries for their part undertake to maintain at the very least the real value of their development assistance budgets which, in present inflationary conditions, would necessitate a nominal increase of over ten percent a year in most countries. I should point out that the impact of stagnating assistance from traditional donors has been somewhat cushioned by the entry into the breach of OPEC countries. Whatever may be said of oil-producing countries, the contributions they have made to the Third World cannot be denied. Already, for example, several Arab countries have allocated to development assistance a larger proportion of their GNP than the target of one percent suggested by the United Nations. This is a welcome development, which indicates that in whatever new economic order may emerge in the future, there will be a sharing of the burden as well as a sharing of the wealth.



STATEMENT DISCOURS

STATEMENT TO THE
STANDING COMMITTEE
ON EXTERNAL AFFAIRS AND
NATIONAL DEFENCE BY THE
SECRETARY OF STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J. MACEachEN,
MAY 22, 1975

"LAW OF THE SEA CONFERENCE"



The Canadian Government and I, and I think the other ministers who were present, are generally pleased with the progress made in attaining most of the objectives that the Canadian Government had set down at the Geneva session of the Law of the Sea. As you know, towards the end of the conference the chairmen of the three committees were designated to produce a negotiating or unified text which text was tabled on the last day of the session. Each of these chairmen worked on his own, obviously drawing upon the discussions that had taken place, and on the last day the work of these three chairmen appeared in the form of a unified text which is now to be the negotiating text at the resumed session of the Law of the Sea Conference. So that now the conference has advanced to the point where there is a text from which or upon which or to which the delegates will address themselves and upon which they will work. This is now called the unified text or the negotiating text and it is upon this text that I am giving some impressions.

The text demonstrates the fact that there has now been sufficient development of new principles of international law to permit some radical departures from the pre-existing traditional principle of the Law of the Sea. On fisheries the progress has been dramatic. Most countries have agreed on the new concept of the economic zone, which is neither territorial sea nor high seas, as the key to an accommodation between the interests of the coastal states on the one hand and the distant water fishing states on the other.

Canada's position has always been that the economic zone must be exclusive in that a coastal state must have complete management rights over fisheries in the zone, coupled with the right to reserve to itself as much of the allowable catch as it has the capacity to take. At the same time the economic zone must be a shared resource zone in the sense that the coastal state should allow other states to harvest stocks surplus to its needs under coastal state control and regulation. There appears to be a basis of agreement emerging on just these principles.

Of particular importance to Canada is the inclusion of a provision in the negotiating text on anadromous salmon species whereby fishing for salmon would be confined to the economic zones only, except where this would create economic dislocation for a state other than the state of origin. The text clearly recognizes the primary interest and responsibility of the state of origin in the anadromous stocks.

This I think is a very important development because we had been fighting, so to speak, an uphill battle in promoting the interests of this species of fish, this anadromous species, and, therefore, the fact that it has found its way into this text is of great importance to Canada.

The economic zone should, in Canada's view, also include coastal state jurisdiction for the purpose of preserving the marine environment. Unfortunately, the negotiating text does not clearly accord to coastal states the rights to set national standards in the economic zone area, but only within the territorial sea, with respect to vessel discharges and operations. As to the enforcement of rules for the prevention of pollution from ships, the negotiating text does not go as far as we would have wanted in according a role to coastal states as well as to flag states. However, insofar as the rights to establish vessel construction, manning and equipment standards in Arctic waters are concerned, the language of the negotiating text makes it clear that the exercise of such rights is in no way contrary to the draft convention and that there is no restriction on such regulatory power in those areas.

That is another, I believe, important point from the Canadian point of view.

The single text has adopted the basic concept of transit passage, as advocated by the major maritime powers, as the regime applicable to navigation through international straits. Canada would have preferred to see passage through such straits subject to stricter controls on the part of the coastal states involved. However, the provisions define the straits as only those which are used for international navigation and exclude straits lying within the internal waters of a state. As Canada's Northwest Passage is not used for international navigation and since Arctic waters are considered by Canada as being internal waters, the regime of transit does not apply to the Arctic and we are therefore able to continue to enact and enforce pollution control regulations in that area.

Canada's long-standing position that it exercises sovereign rights over the continental margin both within and beyond 200 miles is fully reflected in the negotiating text. At the same time we are conscious of the need to work out equitable arrangements with respect to those countries which either are landlocked or do not have a continental shelf.

Consequently, we are prepared to explore prior to and at the next session of the conference the possibility of financial contributions related to the resources of the continental shelf between 200 miles from shore and the seaward edge of the continental margin.

This idea is also reflected in the negotiating text. This, of course, has reference to the concept of revenue sharing that has been raised at the conference and at one stage the Canadian delegation was authorized by the government to consider and explore this question of financial contributions.

There are, of course, many other important issues referred to in the more than 300 draft articles in the negotiating text. In summary, however, I can say without hesitation that this round of work, or negotiations, in the conference has made great progress. We had hoped that it would be possible to make even further progress. While a unified text has been produced, which can provide an extremely useful basis for future negotiations, it has no legal status yet and will not of itself constitute the proposed convention. Considerable negotiation is still required. In these circumstances, as I have said several times in the House, the Canadian Government, like many others represented at the conference, will be making a very careful appraisal of the results of the conference with a view to determining what further action should be taken to promote the future development of the international Law of the Sea.

The Canadian Government will be in the forefront of those attempting to develop equitable and rational solutions to the wide range of problems which we hope will be finally solved by the conference at its next session, which we hope will be held early next year.

I think that if we were not so vitally concerned about the fisheries as we are, that we would generally feel that great progress had been made, and probably, if we were able to establish internationally the regime for the fisheries envisaged in the negotiating text, we would have no real worries. Because of the possible time-lag in the ultimate signing of a treaty or a convention which would cover the fisheries, we obviously are considering and appraising what steps we might take prior to that possibility, or that eventuality.

FOR IMMEDIATE RELEASE
MAY 26, 1975.

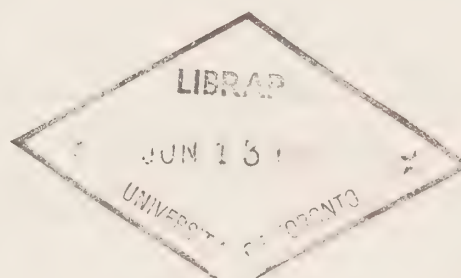
Government
Publications

STATEMENT DISCOURS



STATEMENT BY
THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J. MACEachen,

"THE TEMPORARY WITHDRAWAL OF
CANADIAN EMBASSY PERSONNEL
FROM SAIGON, APRIL 24, 1975"



1. INTRODUCTION

Since there has been recently some criticism by the media of the temporary withdrawal of the personnel of our Embassy in Saigon, a general account of the situation which led to this decision is appropriate. The Canadian public should be aware that, by the time the decision was taken, on April 24, the situation in South Viet-Nam had deteriorated very seriously. Our Embassy, like that of most countries accredited in Saigon, could no longer function effectively: indeed, most of its normal functions could not be fulfilled at all. The CIDA programme, for example, had ceased. Our Chargé d'Affaires and his staff were prepared to remain, but the Canadian Government judged that no useful purpose would any longer be served by their doing so.

2. FUNCTIONS OF THE MISSION

The mission had three main functions to perform in those tragic and confused final days. One was the evacuation of Canadians and of their dependents if they wished to leave; the second was the protection of Canadians remaining in Viet-Nam; the third was assisting the departure of Vietnamese citizens with Canadian connections. The first of those functions could in fact be discharged, and the Canadian Embassy did evacuate from Viet-Nam all the Canadians and their Vietnamese dependents who wished or could be persuaded to leave. Those who remained did so for personal reasons which we must respect; but they received several warnings about the closing of the mission and were given an opportunity to leave on any one of the five flights organized with the cooperation of the Department of National Defence using Canadian Hercules aircraft. The other two functions, however, had by the 24th of April become largely theoretical and could not be fulfilled. It was clear, for example, that the Embassy had exhausted all possibilities of effective assistance to Vietnamese citizens with Canadian connections who wished to leave.

We were dealing with Vietnamese authorities who were determined as a matter of policy to prevent the departure of their own citizens on any scale. Our Chargé d'Affaires pressed long and hard (ultimately with success) to have that policy waived in respect of the Vietnamese dependents of Canadian citizens. But it had become clear that there was no hope of

having the policy waived generally for Vietnamese citizens who wished to leave. Events after our departure have borne out that judgment, and it is worth noting that Embassies which remained after our departure had no more success than we did in having the policy changed. It must also be stressed that until the last minute, the Vietnamese authorities remained able to prevent departures which they had not authorized. Indeed, on the day our Chargé d'Affaires left, the authorities did in fact prevent the departure of persons who were in his automobile and whom he was trying to bring with him.

3. AMERICAN OPERATIONS

There was only one real exception to this general situation. It is that the USA Embassy, especially on the last day of its evacuation, brought out large numbers of Vietnamese who, as far as we know, were not authorized to leave. The Americans could do so for reasons which are unique to themselves; they are certainly circumstances which did not apply to Canada. Rightly or wrongly, the USA had been present and active in Viet-Nam for years, as a major military power engaged in major military operations. Canada never shared their involvement, never had the physical means and resources which went with it, and never had the status which the USA enjoyed and which conferred upon it the ability to act independently of the South Vietnamese authorities. The Canadian people, over the years, did not wish that Canada share the military involvement and status of the USA in Viet-Nam; we did not therefore share the power of independent action which went with that involvement.

What the USA could do in South Viet-Nam, at the very end, Canada could not do. But there is more: what the USA may have needed to do, Canada did not automatically need to do. For example, it could be thought that Vietnamese who had been closely involved with the Americans were in danger from the new South Vietnamese régime, and had to be evacuated for that reason. The same is not true of Vietnamese who were associated with Canadians. There are, for instance, no valid grounds to assume that having worked for Canada or for Canadians in South Viet-Nam places Vietnamese citizens in jeopardy. There was, therefore, not the same need to assure their evacuation from their own country.

We should, I suggest, beware of subjective spill-over, into Canadian perceptions, of concepts or responsibilities that are specifically American. To say that we have humanitarian reasons to take into Canada some of the Vietnamese refugees, including those evacuated by the USA, is one thing; to suggest that in the last days of American presence in South Viet-Nam we had the need, the ability or the responsibility to do what the USA did is, I suggest, quite another matter; and it seems to me quite obviously wrong. I wonder whether much of the criticism we have seen and heard recently does not come from the failure of some to draw a clear distinction between the American and Canadian positions.

4. DECISION TO LEAVE

As it was, when the decision was made to withdraw Canadian Embassy personnel from Saigon on April 24, the Canadian Government faced a choice. We could have simply stayed. The experience of those who did so suggests that we would have served no practical or useful purpose by doing so. Alternatively, we could have, as some did, stayed until the American evacuation a few days later. We would then have risked being caught up in a hazardous and unsatisfactory evacuation from a Canadian standpoint, under the direct protection of the armed forces of the USA, with all that would imply, or we could have been left behind by default rather than by choice (as some foreign missions were) in circumstances which could have left our Mission hostage to the unknown policies of the new authorities. What I mean by that is that we considered that the continued presence of our Embassy could have serious consequences, since our decision to accept refugees in Canada corresponded to the humanitarian instincts of Canadians but appeared to conflict with the desires of the new authorities in South Viet-Nam. Our final choice was to withdraw our Mission in an orderly way, using Canadian means, taking with us those Canadians and their Vietnamese dependents who wished to leave, and those Vietnamese citizens who could be gotten out under the constraints of the situation, of our resources and of our responsibilities. That is what we did. Other countries, including Australia, Britain, Malaysia, New Zealand, the Netherlands and West Germany, took the same decision earlier or on the same day. Even with the benefit of hindsight, we would not have done otherwise, and I suggest that events have proved that we did the right thing.

5. CONCLUSION

It was a particularly difficult and trying time for the members of the Canadian Mission in Saigon. I think it must be said that they did their job remarkably well in remarkably difficult circumstances. The officers of the Department of Manpower and Immigration carried out their work with a great sense of responsibility in increasingly unproductive circumstances, until it became clear that their presence no longer served a useful purpose. After their departure from Saigon, the members of the Department of External Affairs continued to do their best to discharge their responsibilities in a situation which continued to deteriorate. They did so under the devoted and competent leadership of our Chargé d'Affaires, Mr. Ernest Hébert, whose performance in the days leading to the evacuation and in the process of evacuation itself deserves praise. I am sorry that it has instead provoked strong and emotional criticism in some quarters. I think it needs to be said here that in my opinion such criticism is unjustified and unfounded. I can only congratulate the members of the Canadian foreign service for the job they did in the difficult circumstances which I have described.

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STATEMENT DISCOURS



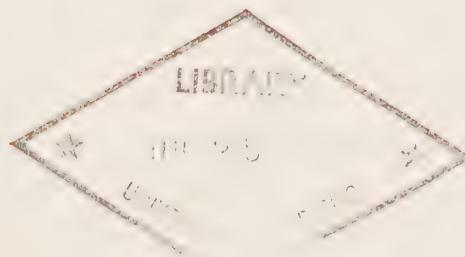
Canada

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.

SPEECH BY THE SECRETARY
OF STATE FOR EXTERNAL AFFAIRS
OF CANADA, THE HONOURABLE
ALLAN J. MACÉACHEN,
TO THE JAPANESE PRESS CLUB,
JUNE 25, 1975

"TOWARDS A NEW JAPAN-CANADA
PARTNERSHIP"



On the occasion of the Seventh Canada-Japan Ministerial Meeting, I am very glad to address the Japanese Press Club. The Canadian Delegation that I lead has had very promising discussions with Japanese Ministers and officials, as most of you will have learned from the final communiqué issued yesterday. These discussions enabled us to explain to your Government how we, Canadians, hope to broaden and deepen the relationship between Japan and Canada, as agreed by the then Prime Minister of Japan and Prime Minister Trudeau when they met in Ottawa last September.

What we have in mind is quite ambitious and can certainly not be accomplished by governments alone. It will need the understanding and support of the people of both countries: that is why I was pleased to accept your invitation to speak to you today. In democratic societies, policies can be developed and implemented only with the active participation of all citizens. Citizens must therefore be informed-- and well informed. The news media accordingly perform vital functions: they collect, transmit and analyze information for the benefit of the general public. Canadians often complain that they are misunderstood abroad; but they do not often take the liberty to explain themselves. With your permission, I will try today to explain Canada.

There are many misconceptions and misunderstandings which subsist about our respective countries. Some of them have serious implications, for they involve the perceptions that businessmen, journalists, public servants and politicians have of the economy and society of Japan and Canada. These misconceptions therefore affect the development of bilateral relations; and it is imperative that we correct them if we want to broaden and deepen these relations, as would otherwise be desirable and possible. I deplore, for example, that many Canadians have still not realized what tremendous economic strides Japan has made in the last twenty years and what potential your country represented for Canada as an economic partner. But today, here in Tokyo, I must address myself to the unfortunate misconceptions which also exist in Japan about our country.

Too many of our foreign friends-- even among our closest neighbours-- still hold a stereotyped image of Canada which has been long outdated. Talking to them, we get the impression that these friends look upon Canada as a vast expanse of territory bordered by three oceans, almost empty

of people, but covered with endless forests and wheatfields and endowed with inexhaustible supplies of all minerals. Apart from these coveted resources, the country is perceived as a cold and inhospitable land to which the visitor journeys at his peril, fully expecting to be stranded for weeks in a snowstorm. Foreigners understand that there are a few towns here and there in Canada but they believe that they exist almost exclusively to collect and ship abroad the rocks and the logs and the wheat which they believe Canadians are always ready to sell to the first foreign buyer. The political system of that exotic country seems so complex that many foreigners have long ago given up hope of ever understanding how it operates: there is not one but eleven governments, seeming to be always arguing with each other and never able, it seems, to agree on anything. I imagine that many Japanese believe that the United States exerts upon this mythical Canada a mysterious influence, so pervasive that it does not really matter whether or not these eleven governments agree on anything; and to maintain their own good relations with the United States, some Japanese probably think it is highly preferable that the Japanese not involve themselves too deeply with Canadians -- except when it is absolutely necessary to obtain rocks and logs and wheat at a good price. Oh yes, the Japanese know, of course, that these Canadians conveniently buy quite a lot of Japanese manufactured products, which is helpful in paying for raw materials; but they tend to believe that Canadians manufacture hardly anything which sophisticated firms and consumers in Japan might need.

An exaggeration? Of course it is. Your businessmen and your officials are too shrewd to entertain today such simplistic notions about Canada. But this caricature will help you understand, I hope, the frustrations which we Canadians feel when we are dealing with you.

It is true that Canada is about thirty times as large as Japan and that it is much better endowed with agricultural land and mineral resources; but our population, although much smaller than that of Japan, constitutes also a substantial market for industrial products because of its high average income and growth rate. In fact, Canada has the fastest growing labour force of all industrialized countries; and we often feel that the Japanese forget that there are a lot of people -- in fact entire cities and communities -- involved in our agricultural and mineral industries which simply cannot generate, at the primary stage, enough jobs to maintain full employment. Few Japanese seem to realize that only a small proportion of our Gross National Product of approximately 42,000 billion yen

(\$140 billion) originates in the agricultural and mineral sector. Canada may export a lot of raw materials, but most Canadians earn their living in the secondary and tertiary sectors; and quite a number of Canadian industries are at the forefront of technological progress. We are one of only five countries, for example, to have developed independently our own nuclear generating system -- Candu -- and the only one to have done so within the framework of an exclusively peaceful nuclear research programme. We were the second country in the world to build our own communications satellite - evidence of the sophistication of our aerospace and electronic industries. We have similarly developed original and technically competitive products or techniques in mining and forestry equipment, high-voltage electric transmission and construction, to list only a few examples.

It is true that many of our cities are located on our coasts and were originally developed as major ports for the shipment of our raw materials. But this era is long past; and the economic well-being of Canadian metropolitan centres now depends upon sophisticated manufacturing, financial and other service industries. Of course, none of these cities rivals Tokyo in size. But Montreal and Toronto are now almost as large as Osaka and larger than Nagoya and Yokohama; while Vancouver is expected to reach in a few years the size of Kobe. Fortunately for us, the problems of urban and industrial congestion have not yet become as acute in our cities as elsewhere; and we are now devising a comprehensive regional development policy to cope with problems which, although they are less acute, are essentially the same as those that your municipal administrations must resolve.

In other words, despite obvious differences in the size of their territory and population and in their resource endowment, Japan and Canada have both become in this century mature industrialized economies. The history and culture of the two countries are quite different; and since these are major determinants of social and economic development, one can expect the two societies to follow somewhat different courses in the future. But there again, I suspect that both Japanese and Canadians tend to exaggerate these differences; for there are striking coincidences as well historical similarities.

The history of modern Canada begins in 1608, when the French explorer Samuel de Champlain founded the first permanent European settlement at Quebec; and the foundation of Quebec coincides with the beginning of the Edo period in Japanese history, during which the first sporadic contacts between Japanese and Western cultures occurred. Japan had almost a thousand years of history behind her when Tokogawa Ieyasu was appointed Shogun by the Emperor, in 1603; but it can be argued that the French and British settlers who came to Canada in the last three centuries brought with them the cultural heritage of Europe, which is also thousands of years old.

Perhaps a more important date in Japanese history is the Meiji restoration of imperial rule, in 1868, which is generally recognized as the start of the process of modernization and industrialization in Japan. By another strange coincidence, 1867, the previous year, is also a most important date in the history of Canada: it is the year of Confederation, when the four founding British colonies of North America joined to establish a new federal sovereignty from the Atlantic to the Pacific Coast. In spite of the substantial differences between our two societies at that time, it must be recognized that the historical tasks undertaken by the Federal Government of Canada were quite similar to those of the Meiji Government in Japan: the establishment of a centralized administration, the improvement of communications through the building of railways, the expansion of agricultural production, the development of manufacturing industries and modern financial institutions, and so on.

Another striking similarity between the recent history of Canada and Japan is that both of our countries have been exposed to substantial and sustained influence from the United States of America. When Commodore Matthew Perry entered Tokyo Bay, in 1853, to negotiate Japan's first treaty of friendship and trade with a western country, the Canadian provinces were pinning their hopes for economic development on the negotiation of a reciprocity treaty with the United States; and even if that treaty soon had to be forgotten, the prosperity of the Canadian economy has always been closely linked, since then, to that of the United States. Of course, the relationship of our two countries with the United States evolved quite differently in the first half of the twentieth century. But in the last thirty years; the foreign policy of both Japan and Canada has been based on close relations with the United States; and our two societies have been profoundly

influenced by these relations. In your case, American influence has centred mainly, perhaps, on social and political institutions; while in our case, that influence was mostly economic and cultural.

Both our countries recognize today that on the whole this influence was beneficial; at the same time, I think we both realize that such influence -- or that of any other country for that matter -- must not be allowed to become too pervasive if we want to maintain the autonomy of our social and cultural development. Perhaps Canada must be more vigilant than Japan in this respect. We have not had the benefit of a long history to develop a strong, homogenous culture. Canada is a young country, built by several native groups and successive generations of immigrants from many lands, all of them attached to their cultural traditions. We have retained as official languages the idiom of the two larger groups of immigrants, French and English. Our country is so vast that once settled in a particular region or province, immigrants of very diverse origins have developed a common regional or provincial identity. I wonder whether the Japanese feel the need to identify themselves as "Shikokuans" or "Kyushuans" as much as Canadians tend to identify themselves as Québécois or Westerners, Nova Scotians or British Columbians. In short, our national culture -- or multicultural, as we call it -- is founded on diversity rather than similarity; and the political integration of Canada is not only recent, in historical terms, but it must accommodate itself to the several regional identities and provincial loyalties of Canadians. This largely explains the complexity of our federal system of government, which probably befuddles so many Japanese. To a certain extent, one could compare the socio-cultural make-up of contemporary Canada to that of Japan during the Heian period, almost a thousand years ago, when your ancestors began to emancipate themselves from Chinese influence, proceeded to assimilate cultural and technical imports from the mainland and, in so doing, developed the characteristics of Japanese civilization. Japan was then quite vulnerable to foreign influence, especially from the most advanced civilization of that period; Canada is similarly vulnerable today.

Consequently, the determination to preserve the social, cultural and economic autonomy of Canada is the basic political motivation behind the new foreign policies developed lately by our government and which we are now actively pursuing.

As you know, these policies have been known in Canada as "the Third Option", because they have been selected after two other alternatives had been successively examined and rejected: the first of these alternatives was the maintenance of our post-war economic relationship with the United States with minimal policy adjustments; the second deliberately to seek economic integration with the United States. These two options were rejected because we felt they would be incompatible, in the long run, with the maintenance of Canada as a politically independent and culturally autonomous society. But we also felt that they were not viable alternatives, since any government which chose to pursue them would be faced with strong resistance from the Canadian public which would place much greater strains upon our relationship with the United States than the "Third Option".

My predecessor described this option as "a comprehensive, long-term strategy to develop and strengthen the Canadian economy and other aspects of our national life". The key element of this long-term strategy is the diversification of our international economic relations.

Some of you may be aware that, in some quarters, Canada's new foreign policies have been interpreted as being directed "against" the United States. In fact, the reverse is true: it is because our government wishes to preserve in the future a sound political basis for our close and friendly relations with the United States that we are seeking diversification: for we are convinced that continued economic cooperation with our great neighbour will only be acceptable to the Canadian public in the long run if it is balanced by closer links with other regions of the world. Indeed, our new policies have generally been received with understanding and sympathy by the Government of the United States. Thus, our new foreign policies are quite similar to your Takaku Gaiko -- that is, your own "diplomacy for diversification". I stress that it is a new departure: the overall policy has been worked out, but the manner of execution has not been formulated in all details. Furthermore, we are only beginning to implement these policies and, evidently, the extent to which we will be successful depends crucially upon our principal economic partners after the United States: Japan and Europe.

In this respect, I must say that our initial approaches to Europe have been quite encouraging. As you know, the Prime Minister of Canada has recently visited all member states of the European Community as well as the Commission in Brussels. Discussions between officials have sufficiently advanced to enable the Commission to recommend to the Council of Ministers the negotiation of an agreement between the Community and Canada. For this reason, and although the main instrument for the strengthening of our economic links with Europe will remain in the foreseeable future bilateral industrial co-operation with each member state, our objective has become known as the negotiation of a "contractual link" with Europe.

I can assure you, on behalf of the Canadian Government, that our new foreign policy outlook places equal emphasis on the intensification of our relations with Japan. I already noted, at the beginning of my remarks, the political commitment which our two Prime Ministers jointly made in the communiqué issued after the visit to Canada, last September of then Prime Minister Tanaka. I can now say that the Seventh Meeting of the Canada/Japan Ministerial Committee, which ended yesterday, has been most encouraging and will lead to a series of exploratory talks between officials of our two governments on a wide range of subjects: industrial co-operation, resource and energy development, agricultural co-operation, scientific and technological projects, among others.

This deeper and broader relationship must be peaceful, because both of our countries seek to maintain friendly relations with all countries and have renounced the use of nuclear arms. It must be a true partnership, going much beyond bilateral trade, which nevertheless will benefit greatly from it; and it would focus mainly on the Pacific region, given the geopolitical situation of our two countries. Furthermore, we would expect that our partnership would extend to other regions of the world and will be of benefit to many other countries.

"But why do you suddenly wish to have closer relations with us?" some of our Japanese friends ask sometimes. Quite aside from the fundamental political motivation which I have just explained, the reasons why Canada should strive to broaden and deepen her relations with Japan are so numerous that I can only recount a few of them today. Your country has become, in the last ten years, the third largest industrialized economy in the world, ranking immediately behind the United States and the Soviet Union. Your annual GNP is now very close to \$400 billion and I am fully confident that as we reach the point of recovery in the present economic cycle, growth will resume in Japan at a high rate, even if the fantastic performance of the sixties does not repeat itself.

Japan is also the second largest trading entity in the world; her shipping interests are considerable; her major industries have reached very high levels of efficiency and technical development. In short, your country has all the characteristics which make it a most attractive economic partner for Canada.

I wish to remind you also that Canada's interest in the development of her "Japanese connection" has not been all that sudden. Bilateral trade relations between our two countries have been expanding rapidly and regularly in the past twenty years. In 1954, Canadian exports to Japan were valued at less than \$100 million; last year they totalled over \$2.2 billion -- a more than twentyfold increase. The growth of Canadian imports from Japan has been even more remarkable: from less than \$20 million in 1954, the value of Japanese products shipped to Canada reached last year more than \$1.4 billion -- 75 times more than two decades ago. The same trends can be found in the fields of investment, tourism and other exchanges. It is not surprising, therefore, that Japan has become in recent years Canada's second largest trading partner.

I should add that, more recently, political consultations between our two governments have become much more frequent and cover a wider range of questions of mutual interest. We value very highly these consultations, especially in these troubled times, when relations between developed and developing countries are evolving in a direction as yet difficult to foresee. We consider the views and the initiatives of the Japanese Government on these questions and on many others of paramount importance, especially as we are developing our own approach to the "new world economic order", prior to the next special session of the United Nations on development. In this respect, we are well aware that Japan is the only industrialized power whose foreign trade is almost evenly balanced between developed and developing countries and the largest single importer of industrial raw materials and agricultural commodities in the world.

But it may be more relevant to ask why the Japanese people should develop with Canadians this peaceful partnership in the Pacific which I outlined earlier. The first word which comes to your mind is probably "resources". But at the risk of shocking you, I maintain that natural resources are not the most valuable thing which Japan can import from Canada, nor what your country needs the most in the long run. What Canada has in greatest abundance is not energy, not minerals, not even agricultural products; but space. And Japan's most vital need, as its economy continues to expand, is not going to be resources but space.

The Japanese people could gradually reclaim the scarce territory in their islands which has been absorbed by the rapid industrialization of recent decades by arranging for the gradual transfer to Canada of those industries which are the most space-extensive. How can Japan import space from Canada? In my view, long-term arrangements between our two countries to that effect could be the foundation of the partnership which we Canadians wish to develop with your country.

I am referring, of course, to those heavy industries which process raw materials, especially the refining and primary transformation of metals, such as iron, copper, zinc and aluminum, the processing of agricultural products and the manufacture of pulp and paper. These industries need space because they tend to be polluting and must therefore be widely dispersed if the most advanced techniques of pollution control are to be used.

Canada has all the space necessary for the efficient deployment of these advanced anti-pollution techniques. These industries also require large tracts of land to site bulky plants, to stockpile raw materials and finished products. For these reasons, most are better located far from large metropolitan centres. In short, these industries are ideally suited to the large expanses which we have in Canada where, in addition, water and energy are abundant.

I might add that bilateral arrangements for the gradual migration of these industrial activities to Canada would bring about substantial savings in energy and shipping costs for Japanese industry. Furthermore, it would be easier, within this framework, to ensure secure supplies of industrial materials for Japanese industry and, reciprocally, assured access to markets for Canadian producers of the same. We have accumulated considerable experience and expertise in most primary processing activities and we would be prepared to welcome additional enterprises of this sort in Canada as joint ventures between Japanese and Canadian interests, which would provide a profitable outlet for Japanese investors. I hardly need to point out that the political stability and steady economic growth of Canada would guarantee the long-term profitability of these investments.

A second area where a closer partnership between Japan and Canada would be mutually advantageous, in our view, is industrial co-operation.

By exploiting so successfully your own large domestic market and the opportunities of international trade, your businessmen have developed a wide range of efficient and sophisticated industries, whose marketing ability and competitiveness have become world-famous. Similarly, although on a smaller scale and with a much greater concentration

on one foreign market -- namely that of the United States -- Canada has broadened and consolidated her industrial structure. It is unquestionable that the international economic environment of the fifties and sixties has been favourable to both our countries and that the commercial and industrial strategies pursued by our respective business and government leaders have met with a large degree of success.

Why not stick with these strategies, then? Why search for new forms of international economic relations? Why should Japan and Canada actively consider a programme of industrial co-operation?

The short answer is that the policies of the past, no matter how successful, are not likely to be the most appropriate for the future. The structure of the world economy is constantly changing. The changes have been particularly dramatic, in the last few years, in the field of energy and resources; but we expect the need for policy changes to be as great in other fields of industrial activity, even if it will be possible -- hopefully -- to introduce them more gradually. The call of developing countries for a "new world economic order", for example, may not immediately threaten the competitiveness of our industries; but one way or another, it is bound to bring about eventually a greater penetration of our markets by third world producers of consumer goods.

Accordingly, we believe that higher energy costs, scarcer resources and stronger competition from low-wage developing economies will force countries like Japan and Canada to alter regularly their commercial and industrial strategies in the years to come. Greater efficiency in manufacturing will have to be achieved through larger-scale operations and constant improvements in production processes; still more specialization and more integration of industrial production will become necessary, this time on a world scale. To bring about these adjustments, industrialized economies will have to undertake a great variety of technological developments and massive capital investment programmes. No doubt a large economy like that of Japan, perhaps even a fair-sized economy like that of Canada, could afford to undertake these adjustments on their own and in an unco-ordinated fashion; but unquestionably, this would be the most costly and wasteful way to go about it. The more rational alternative is international co-ordination; and this is why the Canadian Government is attempting to work out programmes of industrial co-operation with Canada's principal economic partners. The discussions we have had in recent months with a number of European countries, particularly Germany, France and Sweden, have been most encouraging; and we hope that our proposals will be equally well received by the Japanese authorities.

More precisely, we hope to begin with the Japanese Government, in the next few months, a multi-phased exploration of potential areas of bilateral economic and industrial co-operation between our two countries. In the first phase, officials will indentify the industries which should be given priority in a programme of bilateral industrial co-operation, either because they correspond to the national priorities of one or the other country, or else because they are the areas where Canada-Japanese co-operation is likely to be the most promising. The second phase would consist of in-depth examination of those priority areas; after which specific plans and projects could be worked out, taking into account the capabilities and requirements of both countries, in close co-ordination with the Japanese and Canadian private sectors.

I should stress, in this respect that although governments would of necessity initiate, stimulate and facilitate the process, actual co-operation could only be achieved through the active involvement of Japanese and Canadian industrial concerns and trading houses. Industrial co-operation would be fruitless if it remained an abstraction: it must lead to bilateral investments, exchanges of technology and inter-corporate relationships -- particularly joint ventures -- between Japan and Canada.

In our view, the potential benefits of such co-operation are enormous. But of course it will take time for them to materialize, and too many short cuts could well lead to failure. In a sense, what we must do is to knit, stitch by stitch, the optimal interface between the Japanese and Canadian industrial structures; and to miss a stitch would weaken the whole fabric. Regular contacts, meetings, discussions between officials, industrial planners, businessmen, financiers of the two countries will take time; no matter how well prepared, we cannot hope that they will result at the outset in the negotiation of concrete agreements. But we must be prepared to "invest" right now in contacts of this nature, if we want to reap the benefits of industrial co-operation in the near future.

In conclusion, I should like to comment briefly on two of the major difficulties that we will have to overcome in order to develop a programme of mutually beneficial industrial co-operation between our two countries.

The first has to do with our somewhat different patterns of economic development. Japan was in the past a traditionally protectionist economy which has undergone a process of liberalization; Canada was a traditionally liberal economy which has felt the need, in recent years -- not to become protectionist, but rather to acquire a number of new instruments

to control more efficiently her economic development. This difference, which can be easily explained by our very different economic histories, often leads to misunderstandings.

Japanese businessmen often ask us, for example: "Why is it that, after pressing so long for Japan to open up its domestic economy to imports and foreign investment, you Canadians should now subject us to a screening process when we want to invest in your country?"

Their Canadian counterparts are likely to reply: "Why is it that you Japanese find it so difficult to understand why we should attempt to assess and guide more effectively foreign investment in our country, when your own development has benefited so much from the controls exercised by the Bank of Japan and other government agencies?"

I am convinced that through more frequent contacts and discussions, it will be realized that although we are moving in different directions, we are aiming at the same goal. In dealing with foreign investment and other economic processes, Canada has tended in the past to be too liberal and Japan has tended to be too protective; and our respective governments are now attempting to achieve a better balance between private and public interests, as well as between government planning and business initiative.

To engage in mutually beneficial industrial co-operation, we will also have to dispel misunderstandings caused by the substantial differences between our governmental institutions. Canadian businessmen are often discouraged by the high degree of centralization of your government and by the very close co-operation which has developed between Japanese industries and government agencies. Too frequently, they conclude that the common front presented by what has come to be known in the West as "Japan Incorporated" is impenetrable; that Japanese markets are protected not only by the aggressiveness and competitiveness of Japanese firms, but by administrative rulings; and that for similar reasons, it is hopelessly difficult to negotiate ventures and other industrial agreements with the Japanese. Yet a number of successful Canadian-Japanese joint ventures in Japan prove that these impressions do not necessarily correspond to the facts of business life in Japan.

On the other hand, Japanese businessmen are often mystified by Canada's federal system of government which must sometimes appear to them quite anarchic. Why must there be eleven governments? Which of the two levels of government -- the federal or the provincial -- should be contacted to discuss a commercial or investment project? How should Japanese firms go about finding a business partner in Canada, when Canadian business leaders are not willing to listen to government counsels?

Most Japanese doing business in Canada have faced these difficulties, and perhaps we have not been helpful enough in resolving them. Certainly to a Japanese, used to the quietness with which consensus is achieved in his country, the outspoken way in which Canadians work out their own consensus must be puzzling; but it is not anarchy. The Federal Government and the provinces may have discussed energy matters at great length and even quarrelled about them in the last two years; but they have nevertheless been able to resolve most of their disagreements and to develop a new energy policy. I might add that we could not have proceeded in any other way, because the energy interests of our various regions were quite different and could only be reconciled after extensive negotiations.

In fact, the basic reason why we have two levels of government is that in many fields, such as education, social policy and many aspects of economic affairs, it is simply not possible to arrive at a national consensus; so that each province is left free to define its own policies in certain fields, with the Federal Government enjoying paramount jurisdiction in other fields or exercising a national co-ordination function. Accordingly, when a Japanese firm wants to do business in Canada, it can safely assume that it will have to deal with both federal and provincial governments; but since the authority of the Federal Government on international economic relations is paramount, it is generally more efficient to contact Ottawa before the provincial capitals.

But if you do come to Canada, you will find that we are not overly concerned about where you choose to land first. I urge you to come, to discover the real country, the country of the real people. You will find that Canadians are gentle and hospitable, sympathetic towards Japan and eager to learn more about their new partner.

For I repeat that the success of the partnership we hope will develop between Canada and Japan depends ultimately upon greater understanding between our two peoples. This is why the Canadian Government attaches great importance to what could be called "people's diplomacy". We are pleased that the number of Japanese tourists coming to Canada is steadily increasing and could reach 100,000 this year. We are negotiating with your government a new agreement to expand bilateral cultural exchanges, and our two governments are already committed to allocate approximately 300 million yen each (one million dollars) to the promotion of Canadian studies in Japan and of Japanese studies in Canada. At this very moment, a Japanese parliamentary delegation is in Canada to lay the groundwork for regular parliamentary exchanges between our two countries. In the same vein, we cordially invite the Japanese media to establish permanent offices in Canada, to report more regularly on the kind of society we are and we hope to become, as well as to alert the Japanese public to the numerous opportunities for greater co-operation in all fields between Japan and Canada.

I am told that in Japanese, Kanata means far away in the distance: I sincerely hope that, with your assistance, Canada will soon come to mean close partnership in spite of the distance.

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EXTÉRIEURES.

NOTES FOR A SPEECH BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
TO THE U.N. SEMINAR
AT MOUNT ALLISON UNIVERSITY,
SACKVILLE, NEW BRUNSWICK,
FRIDAY, JULY 4, 1975

"PEACEKEEPING AND CYPRUS:
THE CANADIAN EXPERIENCE"



Mr. Chairman, Ladies and Gentlemen;

Let me say at once how pleased I am to have been invited to share in the closing banquet of your annual seminar on the United Nations. As a former teacher at St. Francis Xavier, I am delighted to be back, even though briefly, in the academic atmosphere of another distinguished Maritime university. Although I am no longer engaged in university teaching, I continue to take a close interest in educational affairs, and I am, therefore, grateful for this opportunity to take part in this distinctive "teach-in". Drawing students from all over the Atlantic Provinces and from the United States as well to examine the problems of the United Nations for a week in a series of lectures, debates, and study groups in this congenial university environment is, to my mind, one of the most effective ways of helping to develop a heightened awareness of the nature and purposes of the United Nations on the part of the public. Mr. Douglas How, the organizers of the seminar and the authorities of Mount Allison University are to be congratulated for creating this stimulating learning opportunity for students who will, in turn, through their school and community activities, contribute to a wider and better understanding of the United Nations.

My interest and involvement in this occasion is not prompted solely by the natural concerns of a former teacher. As the minister responsible for Canada's external relations, I am deeply interested in the fact that your subject for continuing study is the United Nations. You have -- if I may say so -- chosen well. This unique international institution is essential to our efforts at some kind of rational ordering of affairs among nation-states. Whatever its faults we cannot get along without it; there is no real alternative to this universal diplomatic forum. At the present time the United Nations is going through a period of particular strain; and, as always in a time of crisis, the clouds of critics around it grow more clamorous. In these circumstances support for the U.N. is vital. It is a fundamental objective of Canadian foreign policy that the government continue to provide such support. But to be effective, this, in turn, must be backed up by an informed and sympathetic public. This seminar contributes in no small way to the creation of that kind of public.

I understand that during this past week one of the two main subjects you have discussed is Cyprus. From the standpoint of both the United Nations and Canada, this inevitably entails peacekeeping.

Last autumn, in speaking to the General Assembly of the United Nations, I singled out peacekeeping as a matter of particular concern to the international community. As I

said at the time "the nuclear threat to our security may be dramatic and awe-inspiring but we cannot neglect the more prosaic but lethal threat from the use of conventional force". For after all, since the end of World War II, no one has lost his life as a result of the use of nuclear weapons but many thousands have been killed in conflicts involving the use of conventional weapons. The fact is that one of the few useful tools that the international community has developed to deal with the problem of conventional conflicts is peace-keeping. There is, alas, little prospect that we are rid of crises in the world giving rise to the use of conventional force and, consequently, we must strive to improve substantially the means by which these crises can be contained and ultimately resolved.

The preservation of peace and the promotion of international security was one of the primary motives behind the founding of the United Nations in 1945. It was hoped that the U.N., with the provision for collective security arrangements in Chapter VII of the Charter, would be able to take action to deal with any threat to peace or act of aggression. However, within a few years of the founding of the United Nations, it became apparent that the Cold War and the consequent disputes among the great powers rendered ineffective the collective security system of the U.N. At the same time, it became apparent that there were crises, which were not serious enough to warrant enforcement action under Chapter VII of the Charter but were sufficiently serious to require intervention by the U.N. with the consent of the parties to the disputes. It was out of this situation that the concept of peacekeeping began to take shape in the immediate post-war years -- the idea of internationally sponsored and neutral bodies of men drawn primarily from small and middle powers to separate disputants and to supervise ceasefires.

From the outset, Canada has played a major role in the development of peacekeeping. We recognize its importance in the preservation of international peace and security. Consequently it is a continuing objective of Canadian foreign policy to help strengthen the authority of the U.N. in its capacity as a peacekeeping agency. Canadians have participated in almost all U.N. peacekeeping operations to date -- in Egypt, Israel, Syria, Lebanon, Cyprus, Korea, India, Pakistan, West New Guinea, the Congo, Yemen and Nigeria. Today about 1,600 Canadians are serving in five U.N. peacekeeping operations, the most important of which are in the Middle East and Cyprus. As a result of this lengthy and intensive experience Canada has become recognized as the peacekeeper *par excellence* with an international reputation for objectivity and professional competence.

I said a moment ago that the peacekeeping operation on Cyprus is one of the two most important peacekeeping

assignments being carried out at present under the U.N. It is also one of the most protracted and, in some ways, the most difficult assignment. Let us take a closer look at the peacekeeping situation in Cyprus in order to determine what the particular difficulties are and what may be done to overcome them.

History has created on Cyprus two indigenous communities of wholly different social and religious characteristics -- a Greek Cypriot Community of about 450,000 (that is, four-fifths of the total population) and a Turkish Cypriot community of almost 130,000 (that is, one-fifth of the total population). In spite of the geographical inter-mixture of these two communities and of the obvious need to co-exist on a small island, the Greek and Turkish Cypriots have never come to terms with each other, and inter-communal relations are characterized by a lack of co-operation and mutual distrust. The Greek Cypriot community, although it has never been under the rule of the Greek mainland, shares a common culture with the Greek people and many Greek Cypriots support the concept of Enosis or union with Greece. The Turkish Cypriots for their part are descendants of colonists brought to the island after its conquest by Ottoman Turks in 1571 and their primary concern as a religious and ethnic minority has been in securing and ensuring their rights.

The constitution, under which Cyprus achieved independence in 1960, attempted to provide these guarantees through a complicated system of checks and balances. The Turkish community was given a specific portion of posts in the ministries, the National Parliament, the police and the civil service; and both the Greek President and the Turkish Vice-President had right of veto over decisions concerning foreign affairs, defence and security. However, the constitution never worked. Its greatest defect was that it accentuated the separatism of the two communities at the very moment when close co-operation was needed. The Greeks were soon accusing the Turks of obstructing legislation and economic development by insisting upon their privileges, while the Turks accused the Greeks of violating their constitutional rights by governing in spite of them.

On November 30, 1963 Archbishop Makarios formally proposed some thirteen constitutional amendments to Dr. Kutchuk, the Turkish Vice-President. These amendments would have had the effect of doing away with the presidential and vice-presidential vetoes, achieving greater unity in the House of Representatives, abolishing the separate Turkish municipalities and cutting down Turkish representation in the public service, the police and the armed forces.

Tensions quickly mounted and intercommunal violence broke out four days before Christmas. The Security Council met to consider the Cyprus issue on December 27, 1963 and in the meantime British troops stationed on the island sought to restore order. However, it was quite evident that this task could not be exercised by Britain alone for an indefinite period, and on March 4, 1964 the Security Council passed a resolution, the heart of which authorized the establishment of an international peacekeeping force and the appointment of a mediator.

Canada was asked to contribute to this force and, meeting in an emergency session on Friday, March 13, 1964 Parliament authorized a contingent of 1,150 officers and men. This country's decision to respond favourably to the request of the United Nations Secretary General was based on the fact that the Canadian -- and the general -- interest would be served by U.N. collective action to prevent intercommunal conflict while a political settlement was being sought.

The first Canadians landed in Nicosia on March 16, 1964 and other national contingents from Ireland, Sweden, Finland, Denmark, and Austria arrived during the following weeks to join the British who were already on Cyprus. The force became operational on March 27, 1964. It was charged with the tasks of (1) preventing a recurrence of fighting, (2) contributing to the restoration and maintenance of order, and (3) contributing to the return to normal conditions.

During the next eleven years, the United Nations Force in Cyprus (UNFICYP) was largely successful in carrying out its principal objective of preventing a recurrence of fighting. Although the fundamental frictions and animosities remained, no major outbreaks of violence occurred. In fact, tensions on the island were reduced to such a degree during this period that it eventually proved possible to implement major changes in both the size and duties of the peacekeeping force. By 1974, the size of the force had been reduced to 2,800 men from an original strength of 6,200 military personnel. In addition, its role was altered. Although the main task of the force continued to be the prevention of violence, greater emphasis was placed on preventative action involving measures such as patrolling, persuasion, and negotiation rather than the deployment of forces interposed between the two contesting parties.

But this restructuring of the force occurred also as a reaction to one of the fundamental difficulties in the peacekeeping and peacemaking process.

Peacekeeping is designed to assist the parties to a dispute to draw back from conflict when they recognize that this is in their best interests, and to help create circumstances in which their differences can be settled by negotiation. Peacekeeping is a military task involving the placement of an international force between quarrelling parties. It is not an end in itself. It is intended to create the conditions for the process of peacemaking, that is, the diplomatic search for a solution to the underlying causes of a conflict.

But in Cyprus there was a distinct lack of progress towards a political settlement. So successful was the U.N. force in peacekeeping that it came to be viewed as almost a permanent fixture on Cyprus with the result that there was relatively little incentive for the two sides to make the difficult compromises that are necessary for a political settlement. The countries contributing troops to the U.N. force expressed concern about this lack of progress, and consequently its restructuring was undertaken in the hope that this would induce the parties to realize that they could not depend indefinitely on an outside force for their security.

Then in July 1974 the situation in Cyprus changed dramatically. In response to an attempted coup d'état against the Makarios administration by the Greek-led Cypriot National Guard, Turkey landed forces on Cyprus and rapidly occupied about forty per cent of the island.

This altered radically the position of the peacekeeping force. It had been created to police the ceasefire between the two communities but now the major confrontation was between the Turkish armed forces and the Cypriot National Guard. To cope with this situation the Canadian contingent, along with those of the other contributing countries were increased at the request of the U.N. Secretary-General. With this increase in size the force was able to respond successfully to this new challenge and to keep further fighting to a minimum. Nevertheless the situation today continues to be volatile and renewed violence could occur at any time.

The experience in peacekeeping in Cyprus merits close study for it reveals the basic problems in U.N. peacekeeping and peacemaking procedures.

Peacekeeping cannot be made a substitute for peacemaking. If it is to serve a useful purpose, peacekeeping must be accompanied by a parallel effort on the political level, especially by the parties most directly concerned, to convert the temporary peace that a peacekeeping force is asked to maintain

into something more durable. If this is not done, peacekeeping will only perpetuate an uneasy status quo which in due course is likely to break down as it did in Cyprus. There, despite the presence of the peacekeeping force, fighting on an unprecedented scale finally occurred because the fundamental political problem remained unresolved. In addition, if the contributors to peacekeeping are faced with indefinite prolongation of their hazardous task, governments and their peoples, feeling themselves caught in a seemingly fruitless endeavour, will be less willing to respond to future requests to take part in peacekeeping operations. Although Canadians continue to appreciate the importance of peacekeeping, they are less inclined today to accept without question the burden of participation. Eleven years is a long time and, although negotiations towards a settlement were recently renewed, the end is not yet in sight.

It may be that we should also alter our approach to peacekeeping and peacemaking. Canada has traditionally followed the policy that to be effective in peacekeeping it is essential to remain *persona grata* with the two sides to the dispute and consequently to avoid becoming involved in the peacemaking process. Perhaps our experience in Cyprus has shown that we should, as circumstances warrant, seek to take a more active part in peacemaking. We could, for example, seek more actively to find ways of moving negotiations in the right direction, and we could be more forceful in our reminders to those directly engaged in negotiations that our participation in peacekeeping has its limits.

Another problem in peacekeeping is the lack of adequate financial support from the international community. This has put an unfair burden on countries like Canada which are perennial contributors. More effective arrangements must be found in order to ensure a sound financial foundation and a broader sharing of the burden among members of the international community.

The majority of regular contributors to peacekeeping forces to date have come from a relatively small number of countries which may be roughly described as western. There is a real need to broaden the base of participation and to involve a more representative cross-section of the U.N. membership. This would ease the burden for those who have been regular participants in peacekeeping. But equally important it would help to produce among U.N. members a greater understanding of and support for this important U.N. activity.

The peacekeeping operations in Cyprus and elsewhere have been mounted on a crash-programme basis. But peacekeeping is likely to be a continuing activity of the U.N. This surely calls for advance planning with a small administrative cadre at U.N. Headquarters and a set of agreed principles on the organization of a force. Among other things there should be agreement in advance on how a force is to be directed and controlled. There should be a set of guidelines for the peacekeeping operation under the overall authority of the Security Council with a system of shared responsibilities among the Council, the Secretary-General, the troop contributors, and the parties involved in the dispute in question.

The experience with the United Nations Emergency Force in the Middle East, the most recently established U.N. peacekeeping operation, provides a guide for the future. The contributors to the UNEF have been drawn from a broader group of countries than in the past. A general assessment of United Nations membership has provided a sounder financial basis for the operation. And there is an improved system for direction and control of the force.

But we must ensure that these innovations, which are contributing to effective peacekeeping in the Middle East at present, are translated into established principles for the future.

Peacekeeping has proved to be an endless, expensive and at times dangerous job. At the beginning of the operation in Cyprus a Canadian contingent of 1,150 officers and men was authorized. Today we have 518 military personnel in the force. Four Canadians have been killed on active duty. The force is in its eleventh year of existence and we have just approved a further extension to our participation of six months from June 15. The total net cost to Canada over the ten-year period from March 1964 to December 1974 has been roughly \$25 million.

Undoubtedly the burden of peacekeeping is great and there are times when one would like to rid oneself of the onerous task. But the responsibility cannot be shirked. Instead we must work towards making the concept of peacekeeping more effective. It is, after all, one of the few useful tools available to the United Nations in the continuing effort to prevent the use of force in the settlement of international disputes.

2018年12月29日

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.

THE FIFTH UNITED NATIONS CONGRESS
ON CRIME PREVENTION



I have advised the Secretary-General of the United Nations that Canada does not wish to proceed with the Fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders this year. I have sought the Secretary-General's cooperation in obtaining a postponement of the Congress and he has undertaken to study the situation in order to clarify his position. In the Government's view, this Congress cannot be held successfully anywhere this year.

Honourable Members will recall that at the Fourth Congress held in Kyoto, in 1970, the Government of Canada, in consultation with the Province of Ontario, proposed that the venue of the next congress be Toronto, in September of 1975. This proposal was accepted by delegations and subsequently confirmed by the General Assembly. Since that time, however, there has been a steady deterioration of the atmosphere in which international conferences are held. I need hardly mention the discord which marred the Sixth Special Session and the last regular Session of the General Assembly, the recent conferences of the United Nations Industrial Development Organization (UNIDO) and of the International Labour Organization (ILO) as well as the International Women's Year Conference in Mexico, a few weeks ago.

Whereas a minimum of cooperation is essential to any progress in the international field, we have witnessed lately excessive confrontation on issues that were not related to the subject matter of conferences. The ingredients are well-known: racialism in Southern Africa, the Middle East conflict, producer-consumer relations and the full range of economic development problems subsumed under calls for a "New World Economic Order". Canada believes that these are very real and difficult problems which must be dealt with urgently, in the appropriate international institutions, before they poison the body politic of the United Nations family; and let there be no doubt that we consider it necessary and desirable that political factors take their proper place even in the most technical of conferences. But they must meet some test of relevance, and in recent U.N. conferences this has clearly not been the case.

Honourable Members are well aware that in respect of the Toronto Congress on Crime Prevention, which was to take place next September, one of these issues had already become paramount. It arose from the resolution adopted in November 1974 by the General Assembly, with Canada dissenting, inviting the Palestinian Liberation Organization (PLO) to attend its sessions as a permanent observer and, in a similar capacity, conferences convened under the auspices of the General Assembly or other organs of the U.N. Accordingly, the Government of Canada was informed by the United Nations Secretariat

some time ago that observers from the PLO had been invited to attend the Fifth Congress on Crime Prevention and that the Canadian authorities were expected to allow entry, sojourn and exit to these participants.

Needless to say, it is with reluctance that the Government has decided to seek postponement of the Congress, but we concluded that it would not be possible, in present circumstances, to hold a successful congress on crime prevention in Canada or anywhere else.

We are all aware of the public outcry for or against the admission to Canada, for this congress, of observers from the Palestinian Liberation Organization. We have all been worried by its divisive effect upon Canadian public opinion. We could not ignore the risk of public disorders. These factors would have led any government to reconsider a decision to host an international conference. But in the final analysis, two factors dominated in our discussions. The first was the inevitable intrusion of unrelated political considerations into the proceedings of the Congress. The second was the re-escalation of violence in the Middle East and the consequent spread of its bitterness into Canada and subsequently into the Congress itself.

It is obvious that such intrusion of the Middle East conflict, by adding to the already hopeless confusion between civil crimes and acts of war, would distort and

subvert the purposes of what has essentially been up to now, and should remain, a technical meeting of experts from all countries, striving to develop international cooperation in a field of vital importance to the rule of law and to public order everywhere. As host country, we felt that Canada had assumed a major responsibility for the success of this Congress; and in such an unfavourable political climate, we did not see how we would possibly carry out our responsibility. I should add that we were also concerned about the coincidence of the Congress with the Seventh Special Session of the General Assembly on Development and International Economic Cooperation, since the contentious atmosphere of one would in all likelihood seep into the other.

However, after an extensive review of the Government's domestic and international obligations, we decided to inform the Secretary-General of the United Nations that we did not want to be relieved of the responsibility for holding this Congress, but rather wished to postpone it. We did not want to withdraw our invitation to the United Nations; and we tried to avoid any steps which might have called into question our long-standing commitment to the principles of the United Nations. I emphasize that Canada's willingness to participate in and contribute to the operations of United Nations agencies remains undiminished.

The respite obtained by postponement must be effectively used by all to bring about sufficient improvement

in attendant political conditions so that we may have reasonable assurances that technical conferences such as the Fifth U.N. Congress on Crime Prevention will be useful and productive. We hope that current negotiations for the reduction of tensions between some of the parties to the Middle East conflict will prove successful in coming months; and we will actively support the continuing efforts of the parties directly involved and of the United States Government toward that goal.

Furthermore, the next General Assembly of the United Nations will provide an opportunity to affirm the principle of universality, as a fulfilment of what ought to be a basic aim of the United Nations. More specifically, we will resist any attempt to exclude Israel or any other country from the proceedings of the General Assembly. Acceptance of this principle would guarantee the status of Israel within the community of nations, and thus remove one cause of instability in the area.

So that in requesting the postponement of the Congress, Canada is not shirking its responsibilities but actually taking on new ones. Through new initiatives, both bilateral and multilateral, the Government will try to improve the political situation in the Middle East and in the U.N., notably through our participation in the next session of the General Assembly, which may be crucial for the future of the organization, given the fundamental character of the issues on which debates are expected to focus. Canada will consult

with other interested countries on the ground rules governing technical discussions in U.N. arenas. Either independently or in cooperation with others, we will attempt to formulate and seek support for an effective resolution in the General Assembly on this question.

I also intend to accept during the autumn outstanding invitations to visit a number of countries in the Middle East. These visits, which the Government already considered most useful for strengthening our relations with this region of the world, have taken a new urgency following the difficulties we encountered in holding the U.N. Congress on Crime Prevention. The House can be assured that I will take this opportunity to solicit the views of my hosts on these difficulties and seek their support for the United Nations as a universal forum and an effective international instrument.

Honourable Members should note that our decision to seek the postponement of the Congress, for the reasons stated, is consistent with the policy of the Government on the Middle East. We will continue to cultivate, as we have done in the past, friendly and cooperative relations with all states in the region and to attach great importance to the development of these relations. Likewise, Canada has tried in the past to maintain a balanced and objective approach to the Middle East conflict and will continue to do so. We have always supported and defended the right of the State of Israel to exist in peace with its neighbours,

behind secure and recognized borders. We have stated our conviction that no peaceful and stable solution to this regional conflict can be found without the participation of the Palestinians and the just settlement of their claims. We have condemned the use of violence as a political instrument or as a means of retribution. We have participated in all U.N. peacekeeping and ceasefire supervision missions in the Middle East and contributed to the United Nations' relief operations for Palestinian refugees. We have advocated and continue to advocate the full implementation of Security Council Resolution 242. All of this therefore continues to be Government policy.

We are confident that the initiatives to be taken by Canada and other countries on the future of the United Nations and the Middle East will lead to a different atmosphere, in which the postponed Fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders can be held in Canada, at a time to be decided upon, with sufficient assurances of success. It was agreed with the Secretary-General of the United Nations that we should consult further on this question and I expect to be in touch with him later this week.

FOR IMMEDIATE RELEASE
JULY 28, 1975

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COMMENTS BY THE SECRETARY
OF STATE FOR EXTERNAL
AFFAIRS, THE HONOURABLE
ALLAN J. MACEachEN

"ENTRY INTO CANADA OF
MEMBERS OF THE PALESTINE
LIBERATION ORGANIZATION
(PLO) TO ATTEND CONFERENCES
SPONSORED BY THE UNITED
NATIONS AND OTHER REPUTABLE
ORGANIZATIONS"

In answer to questions addressed to him in the House of Commons and at a press conference, on July 21 and 25, the Secretary of State for External Affairs, the Honourable Allan J. MacEachen, disclosed supplementary information on important aspects of the Government of Canada's decision to seek postponement of the Fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, which was to be held in Toronto this coming September. Following are excerpts from these exchanges:

Mr. Allan Lawrence, Member of Parliament for Northumberland-Durham: My question is, will it be a prerequisite of this government that before this country will permit the holding of such a conference, the PLO is not to be admitted to a U.N. conference in this country on criminology and the rehabilitation of the offender?

Mr. MacEachen: . . . The hon. member is obsessed with the PLO. He ought to put this conference into a broader international context and understand that we want to host the conference in a successful and favourable political climate. The hon. member should direct questions concerning the admission of the PLO to Canada to the Minister of Manpower and Immigration (Mr. Andras).

Mr. Lincoln Alexander, Member of Parliament for Hamilton-West: . . . Is it the position of the government that the PLO should not be an invited participant to any outside conference sponsored by the United Nations? I think the question is clear and, in view of the minister's statement, deserves an answer.

Mr. MacEachen: Mr. Speaker, the answer is no. When the question of observer status was placed before the General Assembly, the Government of Canada took a position against the granting of observer status. The United Nations voted overwhelmingly to grant the Palestinian Liberation Organization observer status in the United Nations. Canada is not contesting the result of that decision, although it voted against that position.

Reporter: Did the Cabinet evolve any position on the PLO entry into Canada?

Mr. MacEachen: Yes. I would like to make it clear that notwithstanding the decision of the Government to postpone until a more propitious time this Fifth Congress on Crime, members of the PLO other than those who are members of known terrorist sub-groups or have themselves been involved in terrorist acts will be admitted to Canada by Minister's permit for attendance at U.N. conferences or on invitation by reputable Canadian organizations. That is our policy on the admission of members of the PLO. It is precisely the same policy that was announced in the House some weeks ago by Mr. Andras, the Minister of Manpower and Immigration and I was hoping that he would have had an opportunity to make that policy statement in the House today but because it is part of this panorama, I think it ought to be stated here. For more details, I hope you will go to him.

Reporter: Mr. MacEachen, are you prepared to lead some sort of initiative at the U.N. to remove the PLO as an official observer?

Mr. MacEachen: No. I've no intention of tackling what will prove to be a totally fruitless endeavour.

Reporter: Do you think the observers maybe shouldn't attend, those that don't represent full states? I mean, are you differentiating between the General Assembly and technical conferences . . . ?

Mr. MacEachen: No, I haven't made that statement at all. I've made the opposite statement in the House.

Reporter: Do you not see any danger, though, of the (controversy) surrounding the postponement of the conference in Toronto spilling over to Vancouver? Would the PLO, for example, not be observers at that conference as well?

Mr. MacEachen: The PLO would be eligible for attendance at the conference and it may be that a similar outcry would develop at that time. I have no way of being sure. What I hope and will work for is that in the meantime, there will be changes in the political, international atmosphere so that the same outcry will not occur and that these conferences will settle down into technical conferences to help mankind rather than become really forums for important political discussions. There is no question about that; but they have their place in other forums.

Reporter: What if the PLO didn't want to come to Toronto, would your views still be the same?

Mr. MacEachen: No. I don't see that the PLO is the sole factor in this situation at all. We are placing this in the broad international context and I believe that it is about time that a country like Canada, and I hope others, will make it perfectly clear how they feel about these technical conferences.

--Transcript of press conference, July 21, 1975.

Mr. Gérard Laprise, Member of Parliament for Abitibi:

Mr. Speaker, the hon. Secretary of State for External Affairs (Mr. MacEachen) has indicated in his statement that he will travel to the Middle East, to invite the countries of the area, including Israel, to discuss this problem. Could the minister advise the House whether he will take this opportunity to raise the Palestinian refugee issue and try to solve the problem?

Mr. MacEachen: Mr. Speaker, as I mentioned in my statement, Canada has contributed very substantially through the years to assistance for the Palestinian refugees. We supported resolution 242 which refers directly to the Palestinians, and recently in my address at the United Nations I developed Canadian policy further with regard to the Palestinian people. We believe that the Palestinian people must

be consulted about a settlement in the Middle East and they must be involved in that settlement. With regard to the specific question of assistance, if the hon. member is referring to financial assistance, we have been contributing financial assistance to the relief of the refugees.

Mr. Stuart Leggatt, Member of Parliament for New Westminster: Mr. Speaker, the minister stated that he is looking for a change in conditions or climate for the holding of the conference. Will he specify what he wishes to see changed, in terms of the PLO attitude toward Israel, which would perhaps create that kind of climate? Second, will he indicate whether we can expect a definitive decision with regard to Habitat in Vancouver, in terms of the holding of that conference and where exactly the same conditions will apparently prevail unless there is a change in the so-called climate to which the minister refers?

Mr. MacEachen: Mr. Speaker, there are two broad conditions which would indicate an easing of the situation that caused us to seek a postponement of this conference. One is the extreme intrusion of unrelated political discussions into what ought to be technical conferences. Mind you, certain of the developing countries feel that these political matters ought to be discussed. It is our view that they ought not to intrude into what are technical conferences. We had a recent example at the conference in Mexico, which in my opinion was damaged because of unrelated political issues entering the discussion. We hope to make some progress in establishing ground rules against the politicization of these conferences. That is one situation.

The other is the expectation that in the meantime there will be a reduction in tensions in the Middle East and that the present unfavourable climate will, if not disappear, be reduced. For example, successful partial negotiations which

Secretary Kissinger is presently working on would be a significant development. However, who can predict the future? It is possible that the Geneva talks will be held, the status of the PLO will finally be resolved and we can look to a generally more favourable situation in the Middle East. That is what Canada will be working to achieve in the intervening period.

--House of Commons Debates
Vol.119, No.175,
pp. 7761-7762.

Mr. Bill Clarke, Member of Parliament for Vancouver-Quadra:

Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of the answer given Monday to the hon. member for Kingston and the Islands that preparations for the United Nations Conference on Human Settlements in Vancouver next year will continue and in light of the reaction of the United Nations to Canada's postponement of the Toronto conference, will the minister now say what is the government's intention on admission of delegates to the Vancouver conference, keeping in mind that delay similar to that in the Toronto decision will put Canada in another embarrassing position and place Vancouver in a very difficult financial position in relation to the ongoing development done at the urging of the federal government?

Hon. Allan J. MacEachen (Secretary of State for External Affairs:

Mr. Speaker, the situation is simply this. Preparations for the conference in Vancouver are going ahead. There has been no balk in that respect. That was stated by myself in the House and I am happy to confirm it today. With regard to the admission of members of the PLO, I have stated elsewhere the situation. It is properly a

matter for the Minister of Manpower and Immigration, but I think it ought to be put in context with regard to this question. The government has decided that members of the PLO who are non-terrorists will be admitted to Canada under ministerial permit for attendance at the invitation of reputable Canadian organizations or at U.N. conferences.

House of Commons Debates
July 25, 1975.

SEPTEMBER 3, 1975.

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NOTES FOR A
SPEECH BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS (OF CANADA),
THE HONOURABLE
ALLAN J. MACEachEN,
AT THE SEVENTH SPECIAL SESSION
OF THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK,
SEPTEMBER 3, 1975

"THE CHALLENGE OF CHANGE"

Mr. President,

The Sixth Special Session of this General Assembly posed a grave challenge to the international community. The proposals for a New International Economic Order involve a far-reaching transformation of the world's economic relations. Let there be no doubt that a challenge of this magnitude demands from all of us a considered and forthcoming reply.

Thirty years ago, against a background of war, misery and economic collapse, a remarkable group of internationally-minded, and far-sighted statesmen also faced the challenge of creating a new economic - and political - order. We owe the United Nations to their creativity and daring. We also owe to them those economic institutions whose existence and operations have done so much to increase economic growth and human well-being such as the International Monetary Fund, the World Bank and the General Agreement on Tariffs and Trade.

It is easy now to lose sight of the greatness of their achievement. We have grown too familiar with the institutions they created and we have become increasingly conscious of their shortcomings in recent years. But let us not forget that, acting with little precedent, they created institutions and arrangements which provided a sound basis for international cooperation and economic growth. Now, the challenge of the New International Economic Order is to apply a similarly innovative spirit to the changed circumstances of the present day.

As I understand it, the new economic order is based upon two propositions:

- that developing countries do not derive sufficient benefits from the existing system of international trade, investment and finance; and
- that monetary instability, lagging economic growth, inflation and the impact of price increases of petroleum and of other essential imports have demonstrated the shortcomings of the world economic system and the need for changes which will benefit developing countries.

Canada accepts the validity of these assertions and recognizes the need for changes in international economic relations in order to reduce the intolerable disparities between rich and poor nations.

International Development Assistance

One - indeed the most established - of the ways of reducing this disparity between rich and poor, between developed and developing is through development assistance. This concept is one that we owe to that first generation of post-war leaders. Novel in 1945, it has since become firmly established as an instrument of international cooperation through the creation of the International Development Association (IDA), U.N.D.P., the regional development banks, and the extensive network of bilateral development assistance programmes.

But the proposals for a new economic order call for a fresh approach to development assistance. Its purpose, scope and character must be altered to fit the new circumstances of the 70's.

Canada's response is contained in a new Strategy for International Development Cooperation for 1975-80, which was published by the Canadian Government yesterday in Ottawa. Let me touch on the main features of our new Strategy which has been shaped to meet these new demands:

- We pledge ourselves to continue and to increase our programmes of development assistance. This year our disbursements will exceed \$900 million and they will grow significantly in the years ahead;
- We reaffirm our determination to achieve the official U.N. target of .7% of our GNP and to move toward it by annual increases in our official development assistance in proportion to GNP;
- We will place major emphasis on fostering economic growth and the evolution of social systems in such a way that they will produce the widest distribution of benefits among the population of developing countries;
- We shall concentrate the bulk of our bilateral assistance on the poorest countries and on the poorest sectors of their economies;

- We will develop new forms of cooperation to meet the needs of middle-income developing countries in order to strengthen their potential for more self-reliant development;
- We will maintain a degree of concessionality in our bilateral programmes of not less than 90%. The grant component of Canada's development assistance is at present 95%;
- We will arrange bilateral development loans so that developing countries will be eligible to compete for contracts;
- We reiterate our pledge to provide a minimum of one million tons of grain per year as food aid for each of the current and the next two fiscal years; and
- We plan greater emphasis on programmes of agricultural and rural development in developing countries.

But aid alone is not the answer. It must be supplemented by measures in the areas of trade, investment and finance from which developing countries can derive greater benefit. Development assistance is concentrated on the poorest countries. Broader measures of international economic cooperation will bring greater benefit to those countries which have advanced further towards self-reliant growth. We must be ready to consider new ideas and new approaches in this area.

Basic Canadian Response

My Government has reached certain broad conclusions on its approach to cooperation with developing countries:

- We agree that there must be adjustments in the international economic system which will lead to a more rapid reduction in the disparities between developed and developing countries;
- We consider that the transfer of resources which these adjustments would entail can best be achieved in the context of a growing world economy;

- We believe the reform of existing institutions, where possible, is preferable to the establishment of new ones; and
- We believe positive cooperation not confrontation is required to solve difficulties particularly in the area of commodities and other raw materials, including energy resources.

The discussions and negotiations now under way will establish the framework of world trade and finance in the nineteen eighties. There is much at stake for both developed and developing countries. I wish now to turn to three areas of particular concern to developing countries - commodities, trade liberalization and industrial cooperation.

Commodities

The area that has been accorded the greatest attention is commodities. This attention is undoubtedly justified. As both an importer and an exporter Canada regards the instability of the international commodities market as a major weakness of the international trading system.

How can we best deal with the "boom or bust" phenomenon in commodity trade?

- We believe commodity arrangements involving both producers and consumers constitute the most practical approach to the problem. Canada was an early supporter of commodity arrangements, including formal agreements on a commodity-by-commodity basis. We are one of the few countries which has adhered to all the major commodity agreements;
- We are prepared to examine positively the idea of negotiating arrangements for a wide range of products including, but not limited to, those listed in UNCTAD's Integrated Approach;
- We recognize that the use of buffer stocks and alternative stock mechanisms may be an appropriate stabilizing technique for a number of commodities;

- The concept of a common fund for financing such stocks is certainly worth examination. We are prepared to consider the concept sympathetically along with other potential donors, including both producers and consumers;
- We recognize that commodity prices have to reflect market forces. At the same time, we are well aware that no one's interest is served by commodity prices which are so low as to discourage production;
- We believe new features in commodity agreements to take account of international inflation and exchange rate changes should be explored;
- We shall wish to pursue these issues in the context of UNCTAD's Integrated Approach.

Trade Liberalization

On trade liberalization we believe that improved access to markets can yield significant benefits to developing countries.

- At present 75% of Canada's imports from developing countries enter duty free and we have proposed in the trade negotiations the removal of all duties on tropical products by industrialized countries;
- We are prepared to consider deeper tariff cuts and advance implementation on an MFN basis of other tariff cuts of interest to developing countries;
- We are also reviewing our generalized system of tariff preferences for developing countries in light of their suggestions for improvements;
- We recognize the importance that developing countries attach to the further processing of their commodities prior to export. We share with developing countries a common interest in the removal of tariff escalation and non-tariff

barriers which impede the establishment of efficient processing facilities in the resource exporting countries. In our view the sector approach provides an important technique for achieving this goal in the multilateral trade negotiations.

Industrial Cooperation

The further industrialization of developing countries is an essential element in any concerted attack on the disparities which divide rich and poor. In shaping the world of the 1980's we must aim to bring about faster and more balanced industrialized growth in the developing countries. We recognize that developed countries must contribute to this process.

- Two of the elements essential to more rapid industrial growth - investment and technology - are primarily available from the private sector in industrialized countries;
- We believe there is an urgent need to reconcile the legitimate interests of developing countries - their need for capital, their right to sovereignty over their natural resources, their control over their own economic destinies - with the role of the private sector in providing capital and technology;
- Industrial cooperation on a bilateral basis may be an effective means of reconciling these interests. It might incorporate a variety of instruments, including investment, technical assistance, management training and advice, and at the same time provide a legal framework within which the private sector can operate to the benefit of both participating partners;
- We believe that a model industrial cooperation agreement might be devised internationally as a guide to governments and the private sector;

- We favour the provision of information and expertise to developing countries on the means whereby host countries can identify and articulate their national priorities concerning transnational corporations;
- We are prepared to make available our own experience in the establishment of screening mechanisms, statistical methods, and techniques of taxation. We support international efforts to enable developing countries to assess their own interests more clearly and to negotiate effectively the terms of the entry of transnational corporations in a manner consistent with their national goals.

The Commonwealth Expert Group's Report

Mr. President, Canada has stressed the need for concrete measures to assist developing countries to play a much greater role in sharing the world's wealth and resources. In the past four months we have been involved in productive discussion with our partners in the Commonwealth on practical measures that contribute to closing the gap between developed and developing countries.

The Report entitled "Towards New International Economic Order" prepared by a Commonwealth Group of Experts on the instructions of the Commonwealth Heads of Government is now available to members of this Assembly. Last week at the Commonwealth Finance Ministers' Meeting in Georgetown, Commonwealth countries, and I quote from the communiqué "gave general endorsement to the Report and agreed that the early implementation of these proposals would constitute a first step towards achieving the progressive removal of the wide disparities of wealth now existing between different sections of mankind". The Report does not represent the full answer to our problems. Certain of its recommendations present a challenge to existing Canadian policy. Its value is, however, in its practical nature and the high degree of consensus which exists on its provisions, a consensus which extends to countries from all six continents. We believe the Report can provide an aid to the conduct of negotiations and to the national formulation of policy with the ultimate aim of closing the gap in living standards between developed and developing countries. I commend its practical approach and its emphasis on concrete measures to this Assembly.

Conclusion

Mr. President, I have outlined in broad terms the position of the Canadian Government on the principal issues confronting this Session. I wish to stress again the need for real and not imagined progress, for plans and negotiations and not paper and rhetoric. We are determined to play a positive role, to use our resources and our influence, in the efforts to bring about constructive change in the international economic system and thereby to reduce the gap between rich and poor nations. It is our hope that this Session will be a major step in that direction.

SEPTEMBER 13, 1975
PORT HAWKESBURY, NOVA SCOTIA

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CANADA'S FISHERIES POLICY AND THE ICNAF MEETING

A PROGRESS REPORT
BY THE HONOURABLE
ALLAN J. MACEACHEN,
M.P. FOR CAPE BRETON
HIGHLANDS-CANSO AND
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS



-- PORT HAWKESBURY (Nova Scotia) SEPTEMBER 13 -- The Honourable Allan J. MacEachen announced today that the Canadian Government would intensify in coming weeks high-level consultations with countries with fishing fleets in the North Atlantic Ocean. These consultations, which began almost immediately after the regular meeting of the International Commission for Northwest Atlantic Fisheries (ICNAF) in Edinburgh, last June, seek to ensure that the special meeting of the Commission to be held in Montreal September 22-28 will lead to concrete results -- results which will bring about a reduction in foreign fishing efforts, the enforcement of appropriate regulations for the maintenance or rebuilding of stocks and, consequently, an improvement in the long-term economic prospects of Atlantic Canada's fishing industry.

"Even if the outcome of the Edinburgh meeting was disappointing, the goals of the Canadian Government remain the same," Mr. MacEachen emphasized. "Both my officials and those of my colleague, the Honourable Roméo LeBlanc, have impressed upon the representatives of foreign fishing nations the urgent need for a 40% reduction of foreign fishing efforts, reduction of allowable catch limits for stocks in critical condition, and increased allocations to Canada, within conservation limits where there is a demonstrable capacity and need.

The M. P. for Cape Breton Highlands-Canso pointed out that the discussions held with representatives of the Soviet Government in late August, after the temporary closure of East-Coast ports to the Soviet fishing fleets, had led to some progress: "at least enough to reach an agreement on specific procedures concerning the enforcement of fishing quotas, coupled with the re-opening of our ports, when and only when we are satisfied that these procedures are working effectively".

"The discussions we had with Spain and Portugal have also been encouraging," the Minister went on to say, "and we expect to have similar consultations before the Montreal ICNAF meeting with fisheries officials from other member states such as the United States, Norway, Poland and the Federal Republic of Germany.

The Federal Minister pointed out that this series of meetings, prepared and conducted in "very close co-operation" by the Department of External Affairs and the Department of Environment (Fisheries), had proven quite effective in emphasizing the seriousness of Canada's concern over the resource crisis in the North Atlantic and the very real economic difficulties which Canadian fishermen are facing as a result of continuing and persistent overfishing by

foreign fleets. "Foreign governments are beginning to realize that Canada is determined that fisheries management measures in the Northwest Atlantic be effective and this requires both a reduction in foreign fishing effort and other stringent conservation actions," said Mr. MacEachen. "They are also beginning to realize that while vital Canadian interests are at stake, a permanent depletion of North Atlantic fisheries due to present practices would be detrimental to all countries and might well impair the world's ability to feed its growing population in the next century."

Mr. MacEachen emphasized that in the long run, this danger could most effectively be averted by a new deal on the Law of the Sea which would extend the fishing jurisdiction of coastal states to 200 miles. This would place most of the Northwest Atlantic fishing banks under Canadian management. "We have the experts, we have the means and we have the will to manage this great resource effectively and fairly -- not in a narrow and selfish way, but in the interest of the international community," Mr. MacEachen noted. "All we lack is the jurisdiction and that, too, we are determined to get."

"But for very substantial and practical reasons, we would much prefer to get the required extension of our fisheries jurisdiction through an international agreement on the Law of the Sea, as part of a "package deal" which would bring many other benefits of considerable significance for Atlantic Canada. The international process which was started at Caracas and was pursued at Geneva earlier this year is lengthy and complex, sometimes tedious and frustrating. But we are sufficiently encouraged by the progress accomplished so far -- especially the emergence of a single negotiating text which goes far to meet Canada's objectives -- to wait for a while longer before contemplating unilateral action."

But Mr. MacEachen stressed that the Canadian Government would not and could not await developments on the legal front before tackling the immediate problems of the fishing industry. Of course, since the end of the Geneva conference, contingency plans were being prepared to extend Canada's fisheries jurisdiction by other means, if and when it becomes necessary. But there is another forum where pressure could be brought to bear upon fishing nations immediately and where action was possible: ICNAF. "The position we took at the Edinburgh meeting was firm but reasonable," claimed Mr. MacEachen; "in any case it was the only position we could take. We were willing to negotiate arrangements acceptable to other members, but we were not willing to yield on the

essentials and we did not. We had no illusion that we could achieve all of our objectives at one ICNAF meeting; but then, the initiative we took at ICNAF was not a shot in the dark. It was part of a strategy which my officials together with Mr. LeBlanc's, began to plan even before the close of the Geneva conference."

Mr. MacEachen then recalled some of the initiatives which followed the Edinburgh meeting:

-- The temporary closing of East-Coast ports to Soviet fleets on July 28, and the presentation of an aide-mémoire to the USSR Government in Moscow and Ottawa to justify the Canadian decision.

-- A personal letter from Prime Minister Trudeau to USSR Premier Alexis Kosygin, explaining the reasons for this move and enlisting his co-operation in resolving the dispute; and the subsequent meeting between Mr. Trudeau and Secretary-General Brezhnev, in Helsinki, which resulted in new instructions being given to officials.

-- The meeting in Ottawa, from August 25 to August 27, of Canadian and Soviet delegations at which Soviet representatives recognized it was imperative to ensure strict adherence to and implementation of measures agreed within ICNAF, particularly in light of the urgent need to maintain and restore the stocks.

-- An agreement at this Canadian-Soviet meeting to establish a Joint Fisheries Consultative Commission with the following functions:

- a) to review problems referred to it by the two governments regarding the implementation of agreed measures, and to make recommendations for the resolution of such problems;
- b) to facilitate the co-ordination of statistical and scientific information;
- c) to improve bilateral co-operation under the ICNAF Scheme of Joint International Enforcement;
- d) to provide for an improved exchange of information with regard to areas of concentration of fishing operations of both countries and promote other co-operative measures for the purpose of preventing damage to fishing gear and of facilitating the settlement of any claims arising from such damage.

-- A meeting of Spanish and Canadian delegations, on August 6 and 7, at which it was agreed that steps would be taken to enable Spanish fisheries inspectors to work with Canadian inspectors in securing improved compliance with ICNAF regulations and that a new system of rapid communication between Canadian and Spanish officials will be put into operation to deal with possible violations. Spain will also give early consideration to the designation of a Spanish authority in the Northwest Atlantic with whom Canadian fisheries officials will be able to deal on a day-to-day basis with regard to enforcement questions and other related matters.

-- A meeting of Portuguese and Canadian delegations on September 4 and 5, at which Portuguese officials indicated, among other things, that they were taking measures to improve their fishing vessel log-books to bring about a fuller reporting of discarded by-catches, and that they would be intensifying their sampling programme to improve the assessment of the state of the stocks and the yields they can support. The Portuguese delegation also announced the intention of their Government to designate in the near future a Portuguese fisheries official stationed in St. John's, Newfoundland, who would deal directly with Canadian fisheries authorities on a day-to-day basis with regard to the implementation of conservation measures, their enforcement and other related matters.

-- Consultations with provincial ministers and officials as well as representatives of the fishing industry to seek their advice on and enlist their support of the federal government's strategy.

-- A meeting of the Secretary of State for External Affairs with the Ambassadors of all ICNAF countries in Ottawa, on September 2, at which an aide-mémoire stating Canada's position and requesting their co-operation was handed to them, while Canadian embassies abroad were simultaneously presenting the same document to the governments involved.

"These limited understandings are only a beginning, but at least they are a beginning," Mr. MacEachen continued. "We do not expect miracles from the discussions with other countries which will take place before the Montreal ICNAF meeting; but we expect that they will lead, at the very least, to similar understandings on some of the key issues. I am hopeful that, as a result of these intensive consultations, agreement on the Canadian proposals can be reached at the ICNAF meeting."

The Federal Minister then noted that the most significant outcome of the meetings with the USSR, Spain and Portugal was the willingness of all three to sit down now to work out the terms and conditions governing continued fishing by their fleets in waters off Canada's coasts in the light of anticipated legal and jurisdictional changes, i.e., the establishment of an extended Canadian fishing zone.

The presentation of the Canadian case had been based on the assumption that Canada's fishing jurisdiction will inevitably be extended to 200 miles, one way or another; and foreign officials appeared to accept this assumption. "They know it's coming and they know that, before long, offshore fishing fleets will need, in the law as well as in fact, the co-operation of Canada to operate in the Northwest Atlantic," said Mr. MacEachen.

In conclusion, the Secretary of State for External Affairs cautioned that, even if Canada has some real clout in the matter, it is important and very much in the interest of the Atlantic Provinces that Canadian goals be achieved and foreign governments dealt with, whenever possible, in such a way that longer-term international co-operation in fisheries will not be compromised.

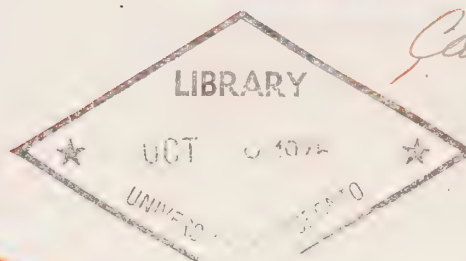
"The higher the Canadian catch, the more important it will be for us to have secure markets abroad; and many of these markets are to be found in the countries whose fleets are fishing in the waters off our coasts, because their population eats more fish than Canadians do," said Mr. MacEachen.

"There are several other reasons why we should ensure that it will be politically feasible, in the future, to expand co-operation with other fishing nations," the Nova Scotia Minister went on to say. "Access to technology might be one of them, for we all know that some of the foreign fishermen off our coasts are pretty efficient. Could it not be to our advantage, some day, to negotiate joint ventures with them?"

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NOTES FOR A SPEECH BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS OF
CANADA, THE HONOURABLE
ALLAN J. MACEachEN,
AT THE 30TH SESSION OF
THE UNITED NATIONS
GENERAL ASSEMBLY,
NEW YORK, MONDAY,
SEPTEMBER 22, 1975

Mr. President,

Let me express, at the outset of my remarks, the pleasure and confidence that the Government of Canada derives from the fact that you, Sir, have been elected to preside over this session of the General Assembly. It marks the thirtieth anniversary of the founding of the United Nations, and the proceedings of this most important session could not be in more capable hands. We know that you will bring to the deliberations of this global organization the judgement and wisdom of which the councils of Europe have been, for so long, the beneficiaries.

We are pleased to welcome among us the delegations from Cape Verde, Sao Tome and Principe, and from Mozambique following accession of these states to the United Nations. Their presence represents a further important step by this Organization on the road towards universality of membership.

SEVENTH SPECIAL SESSION

You are, Mr. President, taking office at a time when our organization is at a decisive juncture in international affairs. Increasingly, our preoccupations are with global economic and social disparities and opportunities. These are also political questions of grave concern, comparable and indeed related in scope and importance to those of international peace and security.

Last week, at our Seventh Special Session on these very issues, we at last made some headway toward the reduction of these disparities. We agreed on steps necessary to move towards a new international economic order. We were able to agree because the time was ripe--indeed overripe--to move forward in a creative way on these complex issues.

We must now commit our attention and energies to sustaining this will, and to implementing the decisions that we have taken to reform our world economic system to reflect our interdependence. We must recognize too our respective peoples' need to be brought into these efforts. We have given undertakings on their behalf; undertakings to provide those of the world's peoples who constitute a majority--those who are in want--their full measure of social and economic justice.

I think that we all appreciate the urgency of this fundamental task, Mr. President. Otherwise we would not have achieved the remarkable degree of cooperation which characterized our intense, and most serious effort during the Special Session. It is important that we pursue our objective--and we have only just begun--in the same spirit of cooperation and mutual respect. This is the most effective way for our organization to work. This is also the most effective way to ensure that our peoples retain their confidence in our Organization's ability to solve our urgent and overriding problems.

We know clearly that there is a need to enhance the role and capacity of the UN in the economic and social fields and thus bring them into a better and more balanced relationship with the political objectives and functions of the Organization.

At its recent special session the General Assembly established an Ad Hoc Committee to initiate a restructuring process of this very kind. One of the main documents before it will be the report of experts entitled "A New United Nations Structure for Global Economic Cooperation". The experts have correctly identified the main weaknesses of the UN system and have made a number of recommendations and suggestions which would improve the balance between the functional or sectoral and the political elements in the system.

I should like to commend to the new intergovernmental committee as well the report of a group of experts convened by the member states of the Commonwealth which is entitled "Towards a New International Economic Order" and which has been circulated as a UN document.

Convinced as we are that the UN must be made more responsive to the needs and concerns of its members, my Government intends to play an active and constructive part in the Ad Hoc Committee to strengthen the UN system so that it may carry forward its programs in working towards a new economic order.

The construction of a new international economic order is but one of the many important pre-occupations of the international community at the present time. Population, food, human settlements, and Law of the Sea are other global problems that demand the attention of the United Nations.

Of these many global problems, I would like now to speak about Law of the Sea in which Canada plays a particular role.

LAW OF THE SEA

One of the most important but least recognized functions of the United Nations is the regular and persistent efforts it makes to contribute to a stable world order through the progressive development of international law. The Law of the Sea is a dynamic example.

We are developing new rules which reflect the growing awareness of the interdependence of nations and the need for preservation of the marine environment and the conservation of its resources. I have no hesitation in affirming the view of the Canadian Government that the viability of an increasingly interdependent

world order rests on the creation of an international economic system which provides a more equitable distribution of resources and opportunities to all people. This principle must be reflected in the new Law of the Sea.

The role of the United Nations is central to the process of developing new international law which will reflect broad recognition that the oceans of the world, which cover seventy percent of the earth's surface, are vital to man's survival. Binding legal rules must be established. The Law of the Sea Conference has already achieved broad agreement on revolutionary new legal concepts such as the economic zone and the common heritage of mankind, concepts which must form the basis of the constitution of the seas. The new law must lay down duties to go hand in hand with every new right recognized. It must be based on principles of equity rather than power.

The task is a formidable one and may prove to be beyond the reach of the United Nations. I think not. What is clear, however, is that without the United Nations the task would be impossible and the world would be involved in a series of conflicting claims and counter claims which could produce serious threats to the peace.

My Government is preparing now for the crucial fourth round of negotiations of the Third Law of the Sea Conference beginning here in New York next March. We do so knowing that to reach final agreement all participants must act responsibly, flexibly and above all, with a sense of real urgency.

No government is more committed than my own to achieving agreement on a viable and balanced global regime for the seas. But I would be less than candid if I did not state clearly that the Canadian Government, like many other governments, cannot be expected to wait indefinitely for agreement. I hope our actions have demonstrated that the Canadian Government is conscious of its responsibilities to the international community. But the Canadian Government is also conscious of its responsibilities to the Canadian people. The economic and social survival of whole communities in certain coastal areas of Canada depend on the successful outcome of the Law of the Sea Conference or, failing such success, some alternative course of action. It is because of these national and international responsibilities that my Government is now engaged, as a matter of the utmost priority in a series of talks with countries who fish off our coasts to pave the way for an extension of our fisheries jurisdiction based upon the consensus emerging at the Third Law of the Sea Conference.

I wish to reiterate the faith of the Canadian Government in the United Nations and the opportunity it offers to negotiate multilateral solutions to the complex problems of the Law of the Sea. A multilateral agreement would be of lasting benefit to this and to future generations. Only if the multilateral approach fails--and at a certain point further delay or procrastination is failure--will my Government,

and I assume others, resort to other solutions to protect fundamental national interests. The Governments and people of the world are not prepared to wait much longer for the results of the Conference. We must act quickly and in concert. If we do--and I am convinced we can--we will achieve what the Secretary General has rightly called "one of the most important conventions ever devised by the International Community".

In 1945, Mr. President, the founders of the United Nations, profoundly influenced by the holocaust of war, were determined that the central task of the international organization would be the maintenance of international peace and security. They devised--so they believed--a system for the settlement of disputes between nations without recourse to the use of force.

Thirty years later, this fundamental problem still faces the United Nations. Two crucial aspects of this problem are disarmament and peacekeeping. They were the principal themes of my address to the Assembly last year, but, such is their importance, that I make no apology for reverting to them.

DISARMAMENT

Few issues before this Assembly give rise to aspirations so great or frustrations so deep as the question of disarmament.

We aspire to agreements that will check the use of force; reduce tensions; and free resources for productive social and economic purposes. But our hopes are frustrated by the relentless drive towards new heights of destructive power.

Nuclear weapons exist in the tens of thousands and we are faced with the frightening possibility that they will spread to more countries. The advanced countries continue to spend enormous amounts of money on armaments of all kinds, and the military expenditures of some developing countries are rapidly increasing.

Is it any wonder that ordinary people everywhere, with deep unease and impatience, await real progress towards disarmament?

The SALT talks have been of major importance in promoting a climate of strategic stability and political détente. But they have not halted the competition in nuclear armaments. Nor have they achieved steps of actual nuclear disarmament.

The problems involved are infinitely complex, but the need for solutions is pressing. We urge the United States and the Soviet Union to conclude their present negotiations and to proceed without delay to achieving steps of nuclear disarmament. We also urge the nuclear weapons powers to re-examine the technical and political obstacles to an agreement to end nuclear weapons testing.

Efforts to curb the proliferation of nuclear weapons must be accompanied by efforts to ensure that the further dissemination of nuclear technology is devoted solely to peaceful purposes. The Conference to Review the Non-Proliferation Treaty re-affirmed the Treaty's vital role as the basic instrument of the non-proliferation system. It made it clear that all parties, both nuclear-weapons states and non-nuclear weapon states, must meet their obligations fully under the Treaty. This is essential if the dangers of proliferation are to be averted.

The Review Conference also reaffirmed the role of the Treaty as the basis for wider co-operation in the peaceful uses of nuclear energy. Canada will fulfill its obligations under the Treaty to facilitate, to the extent it is able, international co-operation in the exchange of nuclear technology and materials for peaceful purposes, particularly between the advanced and developing countries. The need for such co-operation has clearly been increased by the change in world energy costs.

However, I would, at the same time, stress that we have an obligation to ensure that the cooperation we enter into does not contribute to the proliferation of nuclear weapons or to the manufacture of nuclear explosive devices for whatever purpose.

Pre-occupation with the dangers of nuclear weapons must not blind us to the growing threat from use of conventional force. Urgent and closer attention must now be given to the search for arms control and the reduction of forces in order to promote regional stability and mutual security. Now that the Conference on Security and Cooperation in Europe has been concluded, we look for substantial progress from the negotiations in Vienna on the reduction of forces in Central Europe.

The basic responsibility for reducing the dangers and burdens of armaments rests primarily with the major military powers. But we must recognize the various constraints under which they operate if we wish effective arms limitation and disarmament agreements. Advances in military technology often complicate efforts to find the technical and military basis for agreement and satisfactory means of verifying commitments. Agreements must promote or be compatible with the security interests of participating states. Disarmament negotiations are unlikely to succeed unless political conditions are conducive to progress.

But this is no argument for inaction in this Assembly. It is no argument for accepting the present and totally unsatisfactory rate of progress in achieving disarmament measures. The General Assembly must continue as the forum of international concern and as a spur to action in the field of disarmament.

PEACEKEEPING AND THE MIDDLE EAST

If our anxiety about the prospects for progress in disarmament continues unrelieved, we can draw some comfort from the recent movement towards peaceful settlement in the Middle East.

No one who has the interests of world security at heart can fail to be encouraged by the statesmanlike conduct of the leaders of Egypt and Israel, which produced the new interim agreement on the Sinai. We also recognize the dedication of the American Secretary of State whose tireless efforts have once again contributed towards a positive result. It is a fragile beginning to be sure. By itself, it does little to settle the underlying issues; and they must be resolved if peace and security are to come to the Middle East. But we see in the agreement grounds for hope. We see it as the first stage in a series of inter-locking negotiations and agreements which would involve all the parties to the dispute and embrace all the fundamental issues, difficult though this will be. The end would be a just settlement which would enable the destructive passions of the past to be overcome and permit all peoples in the area to live as neighbours in peace and security.

For all those concerned about United Nations peacekeeping there is another reason for drawing satisfaction from the Sinai agreement.

Peacekeeping is one of the few useful instruments that the international community has developed to help promote peaceful solutions to disputes. It is designed to assist the parties to a dispute to draw back from conflict when they recognize that this is in their best interests and to help create circumstances in which their differences can be settled by negotiation.

But all too often peacekeeping reduces the incentive of the disputants to move beyond the mere cessation of hostilities to a serious search for a political settlement. Consequently sceptics charge that United Nations peacekeeping does little more than perpetuate an uneasy status quo.

If peacekeeping is to be truly effective it must be accompanied by a parallel effort on the political level, especially by the parties most directly concerned, to convert the temporary peace that a peacekeeping force is asked to maintain into something more durable.

Since the initial cease-fire agreement in the fall of 1973, UNEF has fulfilled its task of providing a buffer between the disputants and of helping to produce a period of relative calm in which negotiations could be pursued. The parties concerned took full advantage of the peacekeeping operation: they negotiated and reached a new interim agreement. The significance of this for peacekeeping is that UNEF has not merely perpetuated the status quo; it will now go on to make the new agreement effective and to provide the basis for further steps in peacemaking. In short, UNEF is doing

the job for which it is intended, that is, helping to create the circumstances for a search, at the political level, for a solution to the Middle East problem.

The United Nations Disengagement Observer Force (UNDOF) has also played its part in helping to create an atmosphere in which further negotiations can take place.

The question of Cyprus is once again before us at the Thirtieth Session. The problems are complex and will engage the attention of all delegations. But here again the effectiveness of the peacekeeping force which has been carrying on its task on the ground in conditions of great difficulty will depend essentially on the co-operation and will of the parties directly concerned.

Peacekeeping can only continue, of course, if it has the full support of all member states including practical support in the form of prompt payment of peacekeeping assessments, and contribution. Without the necessary financial resources neither the United Nations nor individual force contributors can be expected for long to carry the responsibilities they have been asked to assume.

STRUCTURAL REFORM: Political Issues and Technical Problems

Mr. President, I would like to comment on one particular problem affecting the management of the affairs of our evolving organization. Efforts have been made over the years to treat technical problems and political issues separately. The specialized agencies and technical conferences have been mainly devoted to their own immediate concerns, while political issues have been discussed primarily in those organs with the competence to deal with such matters, the Security Council and the General Assembly.

We well recognize that, even in technical conferences, member states must take account of political realities, and that in some cases the line of separation between the political and technical cannot always be too rigidly drawn. But we shall do a serious disservice to our system of cooperation within the UN System if we fail to distinguish in a clear and unmistakable manner, between, on the one hand, the authority and competence of the Security Council and the General Assembly in those political fields prescribed by the Charter, and, on the other, the competence and authority of technical conferences in their respective fields.

In the meantime, it is the hope of my Government that in the spirit of cooperation that has so happily characterized the deliberations of the Seventh Special

Session, we shall all voluntarily refrain from the introduction of unrelated political considerations into the proceedings of the specialized agencies as well as the organs that have been assigned specific responsibilities for implementing the decisions of the Special Session. We should allow these bodies to get on with their technical work. This would surely be in the best interests of each UN member and of the organization as a whole.

Mr. President, the celebration of the thirtieth anniversary of the United Nations prompts all of us to reflect upon the place of this Organization in the life of the international community. Its critics have been many and persistent; its supporters sometimes wavering. But, whatever its shortcomings over the years, we must recognize the simple fact that, in our quest for peace and security and our search for solutions to the great economic and social issues of our time, this universal forum is irreplaceable and essential to each of the governments and peoples we represent.

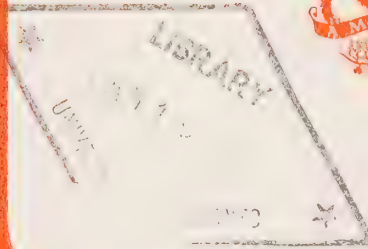
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NOTES FOR A STATEMENT
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
IN THE HOUSE OF COMMONS,
DECEMBER 2, 1975

"CONFERENCE ON SECURITY
AND CO-OPERATION IN EUROPE"

Mr. Speaker,

The document that I am tabling today, the Final Act of the Conference on Security and Co-operation in Europe (called from the outset by its initials CSCE) was signed at Helsinki on August 1 by the Heads of Government of the states of Europe and of Canada and the United States. It is intended to establish the basis for the development of future relations between their countries and peoples. It is, therefore, an entirely forward-looking document; it does not look back to the past.

Many Canadians have been erroneously led to believe that, by signing the Final Act of the CSCE, Canada and its allies did something that sanctified the *status quo* in Europe. It is true that the Soviet Union, for the last thirty years and during the course of the CSCE itself sought to gain acceptance of the political and geographical situation in Europe. But throughout the Conference, the NATO allies worked to avoid a document that could be pointed to in years to come as a surrogate Peace Treaty for World War II. Not one word of the Final Act justifies the claim that it constitutes recognition of Soviet hegemony in Eastern Europe or of the post-war *de facto* borders.

Canada entered the negotiations with a specific set of concerns. We wanted to play a part in the Conference commensurate with our interests in Europe. In this we succeeded. We wanted to have incorporated in the Final Act measures to assist the freer movement of people and ideas. This goal has been achieved. Worthy of special note in this regard is the strong text on the reunification of families sponsored by Canada. We sought the development of a confidence-building measure involving advance notification of military manoeuvres, and, after difficult negotiations, such a measure was worked out. Finally, Canada had important economic and environmental interests to safeguard and advance, and the appropriate texts in the Final Act meet our requirements in this respect.

The Final Act provides for a meeting at senior official level in Belgrade in 1977 to review progress in implementation and possibly to organize a resumed Conference. It is the policy of the Government to ensure that, for its part, the Final Act is implemented as soon and as completely as possible. Copies are being sent to all federal government departments and agencies concerned, to provincial governments and to non-governmental organizations whose co-operation is essential to the carrying out of Canada's responsibilities under the Final Act. Copies are now available to the public through the outlets of Information Canada.

Domestically, we are examining what changes should be made in our present practices to meet the moral commitments we have accepted. In our bilateral relations we are using the document to provide guidance in communiqués, agreements and treaties. Multilaterally, consideration is already being given to the matter of implementation in two United Nations' bodies, the Economic Commission for Europe and UNESCO.

I commend this document to the consideration of Honourable Members

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CONFERENCE ON INTERNATIONAL
ECONOMIC CO-OPERATION

STATEMENT BY
CONFERENCE CO-CHAIRMAN,
THE HONOURABLE
ALLAN J. MACEachEN,
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS OF CANADA,
PARIS, DECEMBER 16, 1975



Mr. President,

Let me begin by thanking you and your government for the generous hospitality which France is extending to this conference. I am confident that the others here in this room share my appreciation.

Mr. President, distinguished delegates,

I would also like to take this opportunity to acknowledge the honour which has been accorded to Canada to preside over this conference of ministers with Venezuela. In fact, this is not an ordinary conference but a unique event. It is the beginning of a crucial dialogue aimed at establishing a sound basis for economic co-operation which will make it possible for all of our countries to face the future with confidence.

The challenge we face is tremendous and, I am sure, the historic proportions of the task are obvious to everyone here today. I believe we can meet this challenge. Each one of us is determined to do so, because each one of us knows that the consequences of inaction could be grave indeed. Thanks to your initiative, Mr. President, we have the solid foundations of two preparatory conferences to build on. Indeed, these preparations have already defined the framework in which we are to organize our work. The number of participants in the conference has been limited so that we may consider the issues before us in the most efficient and constructive manner possible. Its members are, however, broadly representative of the various interests at stake in the issues before us, representative of the views of industrialized countries and of developing countries, of consumers and producers.

Another reason for my optimism is that we have from the outset determined a practical and sensible framework for the dialogue we are starting. It has not been conceived in terms of issues to be hammered out in the space of a three-day conference, but rather as a longer, more serious process, which shall be divided among four commissions which will be working in the months ahead and examining the prospects of economic co-operation. That is our major task: to launch the commissions and to ensure that they will be able to carry out their work under the best possible conditions.

By getting the dialogue started in this way, we shall, I believe, be maintaining the momentum generated at the Seventh Special Session of the United Nations General Assembly and we shall be carrying further the spirit of constructive pragmatism that characterized those discussions.

All members of this conference must participate in seeking solutions if we are to meet the challenge which faces us. It is our hope and expectation that, as a result of our efforts, the commissions we shall have established will be able to approach their tasks with confidence and will find that they can bring the full benefits of ingenuity and realism to bear on the four sets of issues before them.

We believe that this ministerial meeting must give urgent consideration to a number of crucial procedural questions so that the substantive work of the conference can proceed in the commissions in the best possible way. In the few days we are here together, we shall not be able to settle everything, but we shall be able to deal with the essentials; we shall not reconcile all diverging views, but we must ensure that in the dialogue we thus begin most conflicts can be resolved. We shall not create a universal utopia, but we must see to it that each country's hopes can be reconciled with a quest for progress by the world community as a whole.

Mr. President, distinguished delegates,

It is with determination and an acute awareness of the responsibilities involved that I assume the role you have entrusted to me. I know that my distinguished colleague and I shall be able to count on your assistance and understanding in directing the proceedings of this conference, but I also ask for your indulgence. The uniqueness of our task is bound to give rise to unprecedented puzzles to your co-chairmen, whether of substance or procedure. Let us bring to bear on them not only our intellects and ingenuity, but also a genuine spirit of goodwill. I consider myself fortunate to be sharing the chairmanship of this conference with so distinguished an international statesman as Dr. Manuel Pérez Guerrero, and I look forward to our work together. Again, let me express to you, Mr. President, and to the Government of France, our indebtedness for the important role played by your country in giving birth to this conference and for acting as its host.

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NOTES FOR A STATEMENT
TO THE PRESS BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
CAIRO, JANUARY 12, 1976



On behalf of the Canadian Government, I thank the authorities of the Arab Republic of Egypt, particularly Foreign Minister Fahmy, for the kind invitation which enabled me to come to Cairo and for the generous hospitality they extended to me and to members of my delegation. This is my first official visit to Egypt -- indeed my first to the Middle East, at the beginning of a two-week tour which will also bring me to Saudi Arabia, Jordan, Iraq and Israel. This journey gives concrete expression to the declared policy of my government to strengthen and expand Canada's relations with this region of the world. Accordingly, it is my hope that our discussions with Foreign Minister Fahmy and other Egyptian leaders will give a fresh impetus to bilateral relations between Egypt and Canada in all fields. While this is the major purpose of my visit to Cairo, I also welcome this opportunity to establish personal contact with Egyptian leaders and review with them a number of multilateral issues of utmost importance for our two countries such as current efforts, within international organizations and at the Paris Conference on International Economic Co-operation, to establish a new world economic order more favourable to developing countries: on-going developments at the United Nations; the international security situation including recent serious developments in Lebanon and Angola, as well as other developments in the Middle East and the prospects for eventual negotiation of a just and stable peace in this region.

I thought it useful, before answering questions, to summarize Canadian views and positions on some of these questions.

While not extensive, political relations between Egypt and Canada have remained friendly ever since the two countries exchanged diplomatic missions in 1955. Despite the diversity of their national interests, resulting from their quite different geopolitical, economic and cultural circumstances, our two countries have often found that their perspectives and positions on international issues were similar or convergent. There are questions, of course, on which our governments have occasionally differed or disagreed; but generally speaking, these differences have not cast a shadow over our overall bilateral relationship, because each country had a proper understanding of the other's positions and a proper respect for each other's values and aspirations.

During the last twenty years, a pattern of constructive co-operation on multilateral issues has consequently emerged between Egypt and Canada; and this co-operation has intensified in recent years, as our two governments came to share more than ever before a common approach to world affairs. Both Egypt and

Canada, for example, have sought to shore up their independence through an appropriate balance in their relations with major powers, while maintaining their close links with international groupings such as the Arab League and the Organization for African Unity in the case of Egypt, or the Commonwealth and the Agence de coopération technique et culturelle between French-speaking countries, in the case of Canada. Furthermore, our two governments are attempting to diversify their foreign relations and to establish close and beneficial contacts with countries lying beyond their traditional geopolitical environment.

Egypt and Canada also recognize that international co-operation requires an institutional framework which, at this stage of history, can only be provided by the United Nations and its specialized agencies. Both countries have therefore supported the fundamental aims of the United Nations' system and regularly participated in its activities. Prior to the Seventh Special Session of the United Nations General Assembly and during its proceedings, for example, our two governments sought to defuse the confrontation then threatening on international development issues, and worked actively towards the consensus resolution which was fortunately adopted at the conclusion of the session. I have no doubt that the same constructive spirit will inspire Egypt's participation in the Conference on International Economic Co-operation, which held its first session in Paris last month. As you know, I have the honour to be the Co-Chairman of this conference: and both Egypt and Canada have been appointed to the Energy Commission established by the conference. I am therefore looking forward in my dual capacity as Co-Chairman and leader of the Canadian Delegation to working closely with Egyptian leaders in this endeavour to further international co-operation for the benefit of all.

I note, finally, that Egypt is one of the countries which have shown the most interest in the United Nations' Habitat Conference, which will take place in the Canadian city of Vancouver next June. Since Habitat is a Canadian initiative, we are most grateful for the active co-operation which the Egyptian Government has extended to the United Nations' Secretariat and the Canadian Government in the organization of Habitat, through its membership in the Preparatory Committee, the hosting in Cairo of the African Regional Meeting and its constructive participation in recent proceedings at the General Assembly on the Habitat resolution.

Obviously, if the Canadian Government is not satisfied with the present state of bilateral relations between Egypt and Canada, it is essentially because they are not sufficiently developed and extensive. On political affairs, I therefore hope that consultations between our two governments will be more regular and will cover a wider range of issues. In this respect, I should note that the discussions I have had with Foreign Minister Fahmy have been most useful; they should be followed, in my view, by frequent meetings between our officials. In the same vein, I hope that it will be possible for Mr. Fahmy to pay in the near future the visit to Ottawa which he has accepted to make at my invitation. Furthermore, I believe there is general agreement on both sides that a new impetus must be given to Egypt/Canada relations in other fields such as trade, investment, development and technical co-operation, as well as cultural affairs. We have not explored as intensively as we should the numerous opportunities for closer co-operation in these fields. Perhaps I should add that, on our side, Canadians for too many years have perceived modern Egypt in terms of the conflict which has marked the recent history of the Middle East. Fortunately, recent political developments in this region as well as changing perceptions in our two countries will enable us to overcome this handicap.

The Canadian business community is increasingly aware that the Egyptian economy appears on the threshold of a period of development, which should provide the basis for broader economic exchanges between our two countries. The resumption of traffic in the Suez Canal, the recovery of the Sinai oil fields, extensive assistance from other Arab countries, the real prospects that further progress towards the peaceful settlement of this country's conflict with one of its neighbours will reduce the financial burden of military expenditures -- all these factors should encourage Canadian industries to participate in the economic development of Egypt. Two of the largest Canadian banks have recently opened offices in Cairo to foster more Canadian commercial and investment activities in Egypt. I have assured the Egyptian authorities that the Government of Canada will do all in its power to expand trade in both directions, ensure that Canadian goods and services -- including industrial technology -- are available to Egyptian buyers on internationally competitive terms, and facilitate the participation of Canadian industry in Egypt's economic development.

But Egypt remains a developing country, vulnerable to the ups and downs of international markets, struggling to build up its industrial base and expand its social infrastructure in order to improve the living conditions of its citizens and enable them to develop fully their human potential. The Canadian Government believes that Egyptians will benefit substantially from current multilateral efforts to transform the world's economic system. Fully supported by the Canadian people, the Government of Canada has steadily expanded in recent years its economic assistance to developing countries.

I have informed Foreign Minister Fahmy that, within the framework of the new international development strategy disclosed last September, active consideration is being given to the provision by the Canadian International Development Agency (CIDA) of bilateral technical and financial assistance for Egyptian development projects. Such development support could be provided in conjunction with other bilateral or multilateral donors. One field might be the electrification programme of Egypt. Additionally, I have authorized CIDA to make a contribution of \$1 million to the special account of the United Nations Development Programme for the reconstruction of the Suez Canal region. As a result of our discussions I have invited the Arab Republic of Egypt to send an economic mission to Canada so that officials of both governments may explore the opportunities for development co-operation.

In conclusion, I would like to say a few words on the Middle East conflict. Canada's policy on this extremely complex and tragic dispute aims at balance and objectivity. It also rests on principle. The implementation of this policy has occasionally been questioned by both sides -- a symmetry which we find reassuring.

I therefore wish to emphasize that our attempts at objectivity do not reflect an unwillingness to take a stand, but rather the conviction that Canadian "grandstanding" would serve no useful purpose and could easily jeopardize the Canadian contribution to the United Nations peacekeeping effort. It was on the basis of principle that in 1956 the Canadian Government deplored the invasion of Egyptian territory and took initiatives, at the United Nations, which ensured the swift evacuation of the invaded territories; it is out of firm conviction that since 1967 we have supported Security Council Resolution 242 and all the principles which it embodies. The Canadian Government believes that territorial acquisition by force is inadmissible and that secure and recognized boundaries for all states in the area -- together with respect for their sovereignty, territorial integrity and political independence -- are essential to a just and lasting settlement. Equally, any settlement, if it is going

to be equitable and permanent, will have to take full account of the legitimate interests and aspirations of all the peoples of the area including the Palestinian Arabs.

But Canada is not a party to this dispute; and not being a great power, it has no immediate political interests in the Middle East conflict. The Canadian Government has consistently taken the view that the interested parties themselves should seek a negotiated settlement on the basis of Security Council Resolutions 242 and 338.

These resolutions may not be a complete blueprint for peace: they say little, for example, on the Palestinian question. But we believe that the two resolutions provide an effective framework for meaningful negotiations and state forcefully the fundamental principles which must be accepted by all parties if progress is to be made towards a peaceful settlement.

Canada has been a consistent contributor to United Nations' peacekeeping in the Middle East since its inception. At present, we are providing the largest contingent of the United Nations Emergency Force in the Sinai. We consider that, through our participation in the United Nations Emergency Force and in the United Nations Disengagement Observer Force, we are assisting tangibly in maintaining the possibility of a final negotiated settlement. It would be a matter of serious concern to the Canadian Government, however, if it appeared that the relative stability which the United Nations' peacekeeping efforts help provide, lessened the urgency of comprehensive negotiations in the minds of the various parties.

The Canadian Government regards as a very positive and hopeful step last September's agreement between Egypt and Israel providing for a second Sinai disengagement. The role of President Sadat and his government in joining with others to achieve this agreement has indeed been an important contribution to eventual peace. While the progress made by both parties in implementing the terms of the Sinai Disengagement Agreement has been encouraging, the Canadian Government considers it essential that the momentum of the painstaking search for an overall settlement be sustained.

When such fundamental issues as security, sovereignty, the fate of displaced peoples, mutual acceptance and recognition are involved, negotiations cannot but be difficult and complex, particularly when compounded by thirty years of strife and bitterness. However, the hope has to be kept alive that it will be possible for the parties concerned, including the Palestinian Arabs, to agree on a settlement. Much fortitude, patience and persistence, as well as respect for the dignity of all are required; but the implications of failure for the area and for the world at large are so grave and so frightening, that all concerned should be imbued by a spirit of compromise and accommodation.

STATEMENT DISCOURS

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EXTÉRIEURES.



STATEMENT GIVEN TO THE PRESS
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MacEACHEN,
ON DEPARTURE FROM SAUDI ARABIA,
RIYADH, JANUARY 15, 1976



Before I get into the substance of my discussions with Saudi leaders, I want to say that I am delighted to have had this opportunity to escape the Canadian winter and visit Saudi Arabia. I wish to express my warmest thanks to my very kind host, Prince Saud, who together with his colleagues and officials, has gone out of his way to make my stay here both pleasant and memorable. I should also like to stress how deeply honoured I was to be received yesterday by His Royal Highness Crown Prince Fahd with whom I had a most interesting exchange of views.

I think all of you are aware that this is my first visit to the Middle East. I have just come from Cairo where I was received by President Sadat. I had very useful talks with Foreign Minister Fahmy and other leading members of the Egyptian Government; during the next few days I plan to stop in Jordan, Iraq and Israel. My purpose in coming to the Middle East is to obtain at first hand an appreciation of the problems, achievements and aspirations of the different countries of this region which everyone acknowledges has had and continues to have a major place in world history and politics. As the homeland of Islam and as a country whose economic importance is increasing rapidly, Saudi Arabia is an essential part of my itinerary.

In my comprehensive talks with Prince Saud and other ministers we have sought to find ways and means of further developing the very friendly bilateral relations which already exist between Canada and Saudi Arabia. Our approach has been first to identify various key economic and other objectives of our two countries and then to proceed to a discussion as to how each country can contribute to the realization of these objectives. In this connection, Saudi authorities have briefed me on the impressive aims of the country's five-year development plan and I have outlined Canadian oil import needs, investment policies and willingness and ability to contribute to the fulfilment of Saudi development plans in a number of key sectors. Our discussions have revealed that there are many and wide-ranging possibilities for Saudi-Canadian economic co-operation and that both countries are able and willing to seek closer and mutually advantageous relations. As a gauge of the seriousness with which both sides intend to pursue this goal, I am very pleased to announce that the governments of the Kingdom of Saudi Arabia and Canada have decided to establish a Joint Committee for Economic and Technical Co-operation. Prince Saud and I have signed a Memorandum of Understanding on this subject and it has been agreed that this committee will hold its first meeting in early summer in Ottawa. As a further indication of the growing bilateral ties between our two countries, Prince Saud has given me the very welcome news that a Saudi Ambassador to Canada, to be resident in Ottawa, will soon be nominated.

With regard to international economic issues, we have in particular discussed the prospects for the Conference on International Economic Co-operation which got underway in Paris last month. Given the fact that this important conference was

originally proposed by the Saudi Government and that I am one of the conference's two co-chairmen, Saudi Arabia and Canada have a special interest in discussing the work of this conference in the key fields of energy, raw materials, development and finance. I have also reviewed with Prince Saud, and the Minister of Finance, international monetary issues as well as Saudi and Canadian aid programmes which are an increasingly important part of the foreign policy of both countries. We have agreed that Canada and Saudi Arabia will keep in continuing contact on all these important world economic issues.

On the political side, Prince Saud and I examined the current situation in the Middle East, including the recent Disengagement Agreement between Israel and Egypt; the work of the United Nations Emergency Force in the Sinai and the United Nations Disengagement Observer Force in the Golan Heights; and the efforts of UNRWA (United Nations Relief and Works Agency for Palestine Refugees) to relieve the misery of the Palestinian refugees. Canada, as you are aware, is one of the largest contributors both to UNRWA and the United Nations' peacekeeping forces. In these discussions, I have not attempted to suggest what the details of any eventual Middle East peace settlement should be. The Canadian Government has consistently taken the view that the interested parties must themselves seek a negotiated settlement on the basis of Security Council Resolutions 242 and 338 and all the principles which they embody. The Canadian Government believes that secure and recognized boundaries for all states in the area together with respect for their sovereignty, territorial integrity and political independence are essential to a just and lasting settlement. Equally, any settlement, if it is going to be equitable and permanent, will have to take full account of the legitimate interests and aspirations of all the peoples of the area including the Palestinian Arabs. It is in this context that I have been most interested to hear the view on the Middle East question of the Saudi Government, a government which has both an important interest in the problem and the capacity to play an important role in bringing about a settlement.

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TOAST MADE BY THE
SECRETARY OF STATE
OF EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
AT A DINNER GIVEN
IN HIS HONOUR
BY FOREIGN MINISTER
YIGAL ALLON,
JERUSALEM,
JANUARY 19, 1976



I am most pleased to have this opportunity to speak to you tonight. I would like to thank you, as my host, for your invitation to visit Israel and for the kind hospitality you have extended to me and my delegation since my arrival. Here in Israel, I am reminded of the great role of the Jewish people throughout history in bringing to all mankind so many significant contributions in numerous and diverse areas of human endeavour. Indeed, in Canada also, I am struck by the contribution which Canadians of the Jewish faith have made in the intellectual, artistic, professional and business life of our country.

As you have pointed out, Mr. Minister, despite differences in the history, the make-up and the geo-political situation of our two countries, we have in common the social experience of young nations, built to a large extent by immigrants. We also share a heritage of common values which has provided the basis for close co-operation between Israel and Canada within international organizations.

The consolidation and further expansion of bilateral relations with Israel as well as with all countries in the Middle East is an important element of Canadian diplomacy in this region. In itself, this goal would have been a sufficient motive to accept the kind invitation extended to me by your government; but in addition, I welcome this opportunity to establish personal contacts with you, and with other Israeli leaders. I was particularly looking forward to in depth discussions of Israeli positions and perceptions on the political situation in this region of the world; and the meetings we have had so far have amply confirmed the usefulness of such exchanges. I hope to resume these discussions with you, Mr. Minister, before long -- this time in Canada; for it is with great pleasure that I invite you to pay an official visit to our country. As I noted earlier in another capital, Canadian policy on the Middle East is not fixed in stone; it reflects the existing political circumstances in time and is, therefore, liable to change as these circumstances evolve. That is why I wish to consult more frequently, in the future, with leaders like yourself.

Given that we share a common outlook in many respects, I am correct, I believe, in characterizing relations between Canada and Israel as excellent. As you have pointed out, many thousands of Canadians travel to Israel each year and these visits are reciprocated by the broad range of Israelis who travel in turn to Canada. On the economic front we have witnessed last year yet another increase in our two-way trade.

During the course of my trip to the Middle East, I have visited several of Israel's Arab neighbours. Consequently,

the magnitude of the problems associated with the search for peace in this area of the world are fully in my mind. Canada's fundamental and unalterable concern has always been to make its contribution towards a just and durable peace. We have tried to do this in a very direct way through our participation in the United Nations Emergency Force in the Sinai which is larger than that provided by any other country and the United Nations Disengagement Observer Force on the Golan Heights. If these forces can continue to provide a measure of stability between Israel and her neighbours and can help to establish and maintain a climate in which substantive negotiations can take place, Canada fully intends to maintain its contribution.

The Government and the people of Canada supported the establishment of the State of Israel in 1948, its right to exist as an independent state in the Middle East and the right of its people to live in peace within secure and recognized boundaries, and that still continues as the policy of the Government of Canada. In no way has this support ever been directed against Israel's neighbours. Indeed, Canada has sought to maintain a policy of balance and objectivity in the Middle East conflict. We firmly believe that all the peoples of this region have the same right to peaceful and prosperous development behind secure boundaries.

The Canadian Government has never attempted to assert any preconceived notions as to what might constitute the details of an eventual Middle East peace agreement. While the achievement of a just and equitable settlement has always been a major concern in Canada, it has been my government's view that the parties themselves must solve their problems through negotiations on the basis of Security Council Resolutions 242 and 338 and all the principles they embody as this continues to constitute a valid framework upon which to base the deliberations required to achieve a just and lasting settlement. Canada has therefore welcomed the achievement of a second interim accord between Israel and Egypt as an important contribution in the negotiating process.

I know that decisions are very difficult when the security and sovereignty of states are at issue. It is my hope that the parties concerned will continue to find the fortitude necessary to make the difficult choices which will be required if the momentum towards peace is to be built on and expanded. I recognize, Mr. Minister, as do you, that regrettable incidents such as the passage of the resolution at the United Nations equating Zionism with racism, which Canada vigourously opposed, do little to contribute to a climate of mutual tolerance and understanding so vital in any negotiations.

We understand the difficult situation facing Israel. This should not dissuade you, however, because you are a courageous people, from actively pursuing the search for meaningful negotiations which are essential if Israel is to achieve the peace and security it so ardently desires.

Canada considers it vital to any lasting settlement that there be respect for the sovereignty, territorial integrity and political independence of every state in the Middle East. The Government of Canada remains unalterably opposed to any attempt to challenge the right of Israel to live within secure and recognized boundaries, free from threat and acts of force. At the same time it is the Canadian Government's view that the Palestinian people should be heard and participate in negotiations regarding their destiny. Indeed, my strong impression as I conclude my visit to the Middle East is that there will be no solution unless the legitimate interests of the Palestinians are met.

In conclusion, Mr. Minister, I thank you again for the kindness and hospitality you have shown me. I am sure that the discussions I have had with the President, the Prime Minister and with you will enable me to appreciate better the difficulties you face in your quest for peace. Let me leave with you Canada's hope that favourable circumstances will be brought about which will facilitate the achievement of a peace settlement which will add still further impetus to the full realization of your country's great promise.

FOR IMMEDIATE RELEASE
JANUARY 30, 1976

STATEMENT DISCOURS

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STATEMENT MADE BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, THE
HONOURABLE ALLAN J.
MACEachEN, REGARDING
USE OF GANDER BY
CUBAN AIRPLANES

OTTAWA, JANUARY 30, 1976

The Secretary of State for External Affairs, the Honourable Allan J. MacEachen confirmed today that Canadian authorities were aware that two non-scheduled flights of Cubana Airlines, one en route to Guinea Bissau and one from Brazzaville, landed at Gander on January 13 and 14. Under the Convention on International Civil Aviation, any civil aircraft of any signatory country engaged in non-scheduled civil aviation flights may make technical stops at Gander.

Because these flights were to Guinea Bissau and from Brazzaville, Canadian authorities impressed upon the Cuban authorities on January 21 that their landing privileges in Gander are subject to the requirements of the International Civil Aviation Convention. If flights of any country using Gander are thought to be violating the provisions of the Convention, we shall invoke our right to inspect the aircraft in question.

This matter was raised with Canadian authorities by U.S. officials on January 23. No formal representations were made. As the record shows, Canada had taken action before the matter was raised by U.S. officials, and those officials were so informed.

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JANUARY 30, 1976
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NOTES FOR A STATEMENT
IN THE HOUSE OF COMMONS
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
ON NEGOTIATION OF NUCLEAR
CO-OPERATION AGREEMENTS
WITH THE REPUBLICS
OF KOREA AND ARGENTINA.
OTTAWA, JANUARY 30, 1976.

I wish to announce that nuclear cooperation agreements have been signed with the Governments of the Republic of Korea and the Republic of Argentina, and I am tabling today copies of the texts of these agreements.

The Agreement with the Republic of Korea was signed in Seoul on January 26. It will allow the sale to the Republic of Korea of a CANDU power reactor produced by Atomic Energy of Canada Limited to go forward, the attendant commercial and financing arrangements having been already concluded.

The Republic of Korea is a developing country in the process of significant industrialization. Its economy is basically sound and its pattern of growth has been remarkable in recent years, but it has large power requirements over the coming periods which its indigenous fuel resources are not in a position to satisfy. As part of its efforts to generate sufficient energy for its programmes of industrialization and development, the Republic of Korea has established a significant programme of nuclear power generation. The acquisition of a CANDU power reactor is intended to supplement the country's nuclear power generation programme. The Republic of Korea is already building a power reactor supplied from the USA and is contracting for one additional unit from that source.

The Agreement with Argentina was signed in Buenos Aires today. It covers the sale of a CANDU reactor to the Argentine Republic and attendant technical cooperation pursuant to contracts which were concluded in 1974. World-wide inflation since that time has created difficulties and the commercial terms of those latter contracts are currently being renegotiated.

Argentina is an important Latin American country which has had harmonious relations with its neighbours for over 100 years. It is a member of the International Atomic Energy Agency. It has had a successful nuclear development programme for over 25 years and operates a number of research reactors as well as a heavy water moderated power reactor built with the cooperation of the Federal Republic of Germany.

The cooperation to be undertaken under these two Agreements reflects the position announced by the Prime Minister in 1975 when he noted that Canada would continue to seek to make available to developing countries the benefits of the peaceful applications of nuclear energy provided that adequate guarantees against the possible diversion of such cooperation to non-peaceful explosive purposes were available. This is a position endorsed by other nuclear suppliers.

These Agreements provide that identified nuclear exports, including nuclear technology in physical form, shall only be authorized on the basis of coverage by an intergovernmental guarantee that:

- 1) the items supplied or items produced with these, including subsequent generations, will not be diverted to any non-peaceful or explosive purpose,
- 2) these guarantees are verified through inspection mechanisms of the International Atomic Energy Agency,
- 3) that the retransfer of items supplied and items produced with these including subsequent generations of nuclear material only be done with the consent of the Government of Canada,
- 4) that the enrichment and reprocessing of nuclear material supplied, or nuclear material produced with items supplied, only be done with the consent of the Government of Canada,
- 5) that IAEA safeguards and other mechanisms of bilateral verification for aspects of guarantees where the IAEA system is not applicable, be in place for the life of the supplied item or for items susceptible to these guarantees, produced from these items, and
- 6) that adequate measures for the physical security of materials be in place to protect the supplied items from the threat of subnational diversion.

The safeguards commitments including the application of the IAEA inspection system undertaken by the Republic of Korea and the Republic of Argentina represent juridical assurances of a high order which fully meet international standards and Canadian safeguards policy.

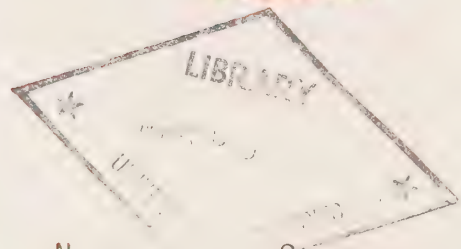
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NOTES FOR A STATEMENT
TO THE HOUSE OF COMMONS
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN

"CONFERENCE ON INTERNATIONAL
ECONOMIC CO-OPERATION"

I am happy to report on the progress which has been made in initiating a dialogue among industrialized and developing countries in the Conference on International Economic Cooperation. I have attended two meetings in Paris as Co-Chairman of the Conference, a function which I share with the Venezuelan Minister of State for International Economic Affairs, Dr. Manuel Perez Guerrero. We have worked together very closely from the start and I want to pay tribute to his wisdom, knowledge and good judgement.

The Conference on International Economic Cooperation is a new venture in international diplomacy bringing together 27 participants -- 19 developing countries and 8 developed members including the European Community. Seven of the developing countries are members of OPEC whereas 12 are oil importing countries. The membership of the Conference has been selected to be broadly representative of the interests of the world community as a whole, with the exception of Eastern Europe and China which are not participating.

The use of Co-Chairmen from the two groups to head the Conference and the Commissions is a new technique in conferences of this kind. Limited but representative membership may ensure that any consensus reached at the Conference is broadly acceptable to the international community. It may also make it possible to replace the highly politicized and often sterile debate on international economic problems by a pragmatic and systematic

approach to complex questions which cannot be resolved by rhetoric. Limited membership may also be conducive to better understanding and hence to a more earnest and direct attack on specific issues.

The origins of this Conference are diverse and are reflected in its character. What began as a reaction to the quadrupling of petroleum prices in late 1973 has evolved over the past two years into a Conference designed to examine many of the world's major economic problems, in addition to those associated with energy. The Conference will undoubtedly address the various demands for changes in the world's economic system which have been put forward by developing countries in the United Nations. Since the first impact of the oil price rise Canada has been a consistent advocate of such a consumer-producer dialogue and has in particular advocated including the "innocent victims" -- the most seriously affected developing countries -- in the dialogue. I am therefore particularly gratified that the Conference can truthfully be described as a dialogue between developed and developing countries, between producers and consumers of petroleum, and between producers and consumers of other raw materials.

During the coming year the Conference will attempt to reach agreement by consensus on a variety of important issues in the fields of energy, raw materials, development and finance. It is my hope that in the process it will make a positive contribution to a new era of international economic cooperation by fostering better understanding and by stimulating on-going work in other bodies such as UNCTAD, UNIDO, the

GATT, the FAO, the International Monetary Fund and the World Bank.

The Ministerial Meeting in December which President Giscard d'Estaing opened and which Dr. Perez Guerrero and I chaired brought together Ministers from the twenty-seven members of the Conference. We agreed on the creation of four Commissions (for energy, raw materials, development, and financial affairs). Each consists of 15 members, five representing developed, and ten representing developing members. We agreed on the Co-Chairmen for each of the four Commissions and approved general guidelines regarding the work of the Conference.

At a follow-up meeting last week, Dr. Perez Guerrero and I, as Conference Co-Chairmen, together with the eight Co-Chairmen of the four Commissions reviewed preparations for the work of the Commissions. We agreed that each of the Commissions should meet five times between now and July and we made a number of recommendations with respect to the duration of meetings, participation by observers, and other procedures. While the initial meetings of the Commission will probably deal with organizational and procedural matters, I believe they will quickly move on to substantive questions. A meeting of senior officials from the 27 members may review the progress of the Commissions in about five months' time -- probably in June. It is expected that a Ministerial Meeting will be held next December to conclude the work of the Commissions.

The two Co-Chairmen of the Conference have a particularly sensitive role to play. Although all participants in the Conference on International Economic Cooperation are prepared to approach issues in a positive and cooperative manner, there is a broad range of differing national interests and philosophies among the developed, developing and OPEC members of the Conference. To a degree, it was this very diversity of interests and the consequent difficulty of providing leadership equally responsive to both the Group of 8 -- the developed members -- and the Group of 19 -- the developing members -- which led to the choice of two Co-Chairmen as a technique for organizing the Conference. This co-direction of the Conference is symbolic of the determination of the member countries to work together and to accept shared responsibility for the results. Just as Dr. Perez Guerrero and I have a certain responsibility for ensuring that the work of the Conference proceeds in an orderly and constructive manner so the Co-Chairmen of the Commissions have a responsibility for guiding the work of their Commissions so that they achieve results which are broadly acceptable to the international community, including those countries which are not members of the Conference. I have, of course, been working very closely with Dr. Perez Guerrero to achieve that goal, and I am sure that the Co-Chairmen of the Commissions will also work as a team.

Canada is a member of two of the four Commissions: Energy and Development. The dialogue in the Energy Commission may eventually encompass such sensitive issues as oil prices, indexation and security of supply. We hope that it will lead to increased stability in the international oil market which would facilitate the orderly planning and development of Canada's own energy needs. I also trust the dialogue will make a real contribution to solving the problems of the developing countries most seriously affected by the rise in oil and other prices.

I am particularly pleased that Canada will participate in the work of the Development Commission. As you know Canada has won considerable respect in the Third World for its stand on development questions. I can assure you Canada will continue this positive approach in the Development Commission which will probably consider a broad range of issues in such key areas as food and agricultural development, industrial and technological cooperation, trade liberalization, and official development assistance.

Canada is not a member of the Raw Materials and Finance Commissions. As they may deal with a number of vital issues such as the stabilization of commodity prices, the stabilization of earnings derived from commodity exports and international financial questions, we do have a substantial interest in their proceedings. We shall, therefore, be following the work of these Commissions closely through our

observers in them. We expect to consult frequently and closely with our colleagues in the Conference who are participating in these Commissions.

I think that we have got off to a good start. Canada has been given an important part in shaping this new instrument of international cooperation. That may be a matter of satisfaction but it is also a challenge which we shall faithfully seek to meet.

STATEMENT DISCOURS

SECRETARY
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SPEAKING NOTES FOR THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
AT THE CEREMONY MARKING
THE EXCHANGE OF INSTRUMENTS
OF RATIFICATION OF THE
CANADA/U.S. EXTRADITION TREATY
IN OTTAWA ON MARCH 22, 1976

Mr. Ambassador,

I would like to welcome you publicly to Canada and to wish you and your family a most satisfying and enjoyable stay in our country. I look forward to working with you in promoting our co-operative efforts and in resolving our problems for the mutual benefit of both our countries.

The Treaty on Extradition which has just been ratified marks the evolution of one of Canada's oldest treaty relationships with the United States. It will replace a series of arrangements which date back to 1842. For Canada, our extradition arrangements with the United States are far and away the most important we have with any country. In this, as in so many other aspects of our relations with the United States, our proximity generates contacts and problems on a scale dwarfing those which exist between Canada and other countries.

This new Treaty is very important to us. It is the product of careful negotiations over a decade. It will help the law enforcement authorities of our two countries to deal more effectively with some of the most dramatic and intractable problems faced by contemporary society on this continent - such problems as hi-jacking of aircraft, political kidnapping and drug offences. Under the new Treaty, it will also be easier to handle a wide range of extraditable offences which, while less likely to make the headlines, pose basic problems for the administration of justice in both countries.

The Treaty is one more example of the harmonious relations between Canada and the United States. The negotiations and other preparatory work which produced this treaty are typical of the common sense approach to so much of our ongoing bilateral relations which seldom comes to public attention. The practical approach to the resolution of bilateral questions which is made possible by similarities in our basic values and which is reflected in this Treaty has, of course, been a constant element in the development of the beneficial relations which exist between our two countries.

Because of the scope and complexity of our relations, we inevitably and frequently make decisions which affect the interests of the other. This underscores the necessity for careful management of our relations.

I welcome today's ceremony not only for the intrinsic value of the Treaty itself, but also for its symbolic value as a model of co-operation and mutual respect between our two countries. I find it particularly appropriate that so soon after your arrival we should have this opportunity to ratify together this further important link in Canada-United States relations.

STATEMENT DISCOURS



NUCLEAR SUPPLIERS

EXTRACT FROM A SPEECH
DELIVERED IN THE HOUSE
OF COMMONS, MARCH 23, 1976
BY THE SECRETARY OF
STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MacEACHEN,
ON NUCLEAR PROLIFERATION

We have recently completed a series of meetings with other nuclear suppliers in an effort to improve our system of international safeguards.

International standards, as honourable members will realize, are not static. They have been in evolution since the first agreements for co-operation in the peaceful application of nuclear energy were concluded in the 1950s. The trend in safeguards evolution has been one toward increased stringency both in the legal commitments and verification mechanisms which are required.

The most significant development, of course, that has taken place in the evolution of the safeguards system was the entry into effect of the non-proliferation treaty in 1970. Nuclear suppliers, who have certain generally defined obligations under the N.P.T., met for a number of years in order to define these obligations to a satisfactory working level. In August, 1974, countries that shared or were about to share these obligations, including the United Kingdom, the U.S.S.R., the United States, the Federal Republic of Germany, Japan and Canada, reached a basic consensus, one which was notified to the International Atomic Energy Agency on August 22 of that year, setting out their interpretation in some detail.

The policy of the countries which accepted this consensus required, as a minimum, that in transfers of certain nuclear equipment and materials to non-nuclear weapons states not party to the N.P.T. the safeguards system of the I.A.E.A. applicable to individual projects be applied. The participating countries, which were later joined by others, also stated an undertaking by the recipient not to use the supplied items for any explosive or other non-peaceful purposes as a prerequisite for the transfer. Recognizing the non-proliferation treaty as the keystone for international safeguards, Canada participated in these discussions and accepted the norms which were already consistent with Canadian policy as a basic standard for the safeguards it required. We did, as a country, go further than this particular consensus to which I refer; we went beyond the breadth of the "trigger list", which is fully outlined in the background paper that I tabled in the House on January 30. The details of that policy are clearly set out in that document.

In line with the argument that has been made today by the honourable member for Nanaimo-Cowichan-The Islands, the government was acutely conscious of the fact that one supplier cannot succeed unilaterally in raising the international safeguards standard and that Canada's forward position on safeguards and exports would only have real value and significance if the other major, significant suppliers also agreed to a similar set of policies.

Accordingly, a number of bilateral discussions have been initiated by Canada since the end of 1974 both on the level of officials and in the context of meetings held by the Prime Minister and myself. In part -- and I think in significant part -- as a result of these initiatives meetings among the officials of a number of countries have been held over the past year to examine the question of safeguards in great detail. There were diplomatic discussions of a sensitive nature, as the honourable member pointed out earlier, and in such cases it is up to the participants, if they wish to do so, to outline their role and policy. I should like to do that today on behalf of the Government of Canada. I might say that all major suppliers presently on the international market shared these consultations, and more may do so. Let me only say this, that as a result of these international meetings Canada has notified certain other interested countries of the standards of safeguards required under its national policy pursuant to the consensus. This was also done by other participants.

This position reflects much, though not necessarily all, of the policy set out in the background paper I have tabled. It is, however, fully consistent with that policy, stipulating, as it does, that transfers of certain equipment, materials and technology will only be authorized on the basis of a formal governmental assurance from recipients to exclude uses which would result in any nuclear explosive devices. These transfers would also trigger the application of the safeguard system of the I.A.E.A., and their retransfer to any third country could only be done on the basis of the consent of the Government of Canada.

It is also stipulated that safeguards should apply to the items covered for their useful life as well as to the subsequent generation of nuclear material produced. It refers to the desirability of imposing provisions for mutual agreement between supplier and recipient on arrangements for reprocessing, storage, alternative use, transfer or retransfer or any plutonium and highly-enriched uranium that is covered. The observance of recommendations and standards for the physical protection of nuclear materials and facilities forms part of this undertaking. The standards also call for safeguards to be triggered by the transfer of technology for heavy-water production enrichment and reprocessing. Canadian policy, I should say parenthetically, places safeguards as well on reactor technology.

It also sets out some of the areas where the government considers progress necessary for promoting non-proliferation, such as the promotion of regional fuel cycles. These are described in the background paper. The standard does not, as Canada would have wished, stipulate that safeguards be applied to the full nuclear programme of the recipient country. Such a requirement is not, however, precluded and achievement of a consensus on this question may be a future result of efforts in the suppliers' group.

I have just given an exposition of Canada's position. This position, or policy is, of course, shared by the other supplier countries concerned about the problem. As the Prime Minister has stated, however, there has been no secret agreement or binding international treaty enforcing this standard. What there has been, as a result of consultation among senior technical officials, is a consensus decision expressed in unilateral form by a number of countries to accept certain safeguards principles in all cases of nuclear exports to non-nuclear weapon states, whether party to the N.P.T. or not. More countries are likely, on the basis of review, to make such a decision.

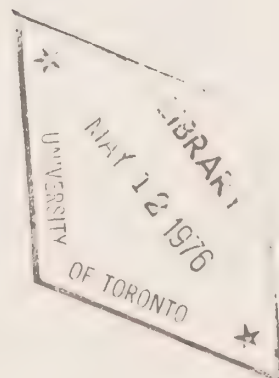
The Canadian Government has pressed, in its discussions, for the highest possible level of safeguards to be applied to all nuclear transfer. We are satisfied that much progress has been made as a result of this effort and that further progress can be made. It is one further stage in the evolution of the international safeguards system. The London Club conclusions, as the suppliers' meetings have been called, have been a success. We have covered one of the difficulties that is encountered by a single country acting alone.

STATEMENT DISCOURS



STATEMENT BY THE SECRETARY
OF STATE FOR EXTERNAL
AFFAIRS, THE HONOURABLE
ALLAN J. MACEachEN,
IN THE HOUSE OF COMMONS,
MARCH 23, 1976

"CANADIAN NUCLEAR SALES POLICY"



Mr. Speaker, I appreciate the opportunity provided by the motion to comment on Canadian policy with respect to nuclear sales abroad and to underline the dedication and interest of the Canadian government in the cause of non-proliferation. As Honourable Members have said, nuclear proliferation is a danger in the world. It is a broad, political problem which arises from the transfer of one state's nuclear technology to another and also from the vertical proliferation in the arsenals of the superpowers of the world. It seems to me Honourable Members took a limited view of Canada's role in coping with the problem, particularly of the reasons for Canada's transferring nuclear technology in certain cases to other countries of the world in discharge of treaty obligations.

The subject is extensive. I should like to deal with it under the following headings: first, why are we in the business of transferring nuclear technology, nuclear material and nuclear equipment; second, what effect would the moratorium which has been advocated by all previous speakers have internationally and domestically; third, there is the safeguard system, what it can do and what it cannot do; fourth, what is Canada's role in the London club and what were the recent conclusions of the suppliers' group; and, finally, there is the special case of India.

As a country and as a signatory to the non-proliferation treaty we have undertaken to transfer technology to other countries for peaceful purposes. We all know that at present throughout the world nuclear power is the major alternative to hydro resources and fossil fuels. We also know that a number of developing countries and developed countries require nuclear power to further their economic and social development. So far in this debate not one speaker has mentioned the cry of the world's developing countries for access to nuclear technology. Most developing countries have adhered to the non-proliferation treaty. They say, "We have undertaken these obligations but developed, industrialized countries of the world are failing in their responsibilities to make available to us nuclear technology." That technology is urgently needed in certain developing countries as a source of power. It is not urgently needed in all of them, though it is in some.

When the Honourable Member for Nanaimo-Cowichan-The Islands recited our association with countries such as India, Pakistan, the Republic of Korea, and Argentina, he failed to underline that each of those countries is a developing country urgently in need of additional power resources in order to maintain their development and inch forward a bit in humanity's struggle for an improved standard of living. About this aspect not one word was said. Every spokesman on the other side ignored it totally. The Prime Minister (Mr. Trudeau) put the matter clearly when he said in his speech to the Nuclear Association, in Ottawa on June 17, 1975:

"It would be unconscionable under any circumstances to deny to the developing countries the most modern of technologies as assistance in their quest for higher living standards. But, in a world increasingly concerned about depleting reserves of fossil fuels, about food shortages, and about the need to reduce illness, it would be irresponsible as well to withhold the advantages of the nuclear age - of power reactors, agricultural isotopes, cobalt beam-therapy units."

In Canada we have developed this high technology. It is one of the show pieces of Canadian industry and has application throughout the world. This afternoon honourable gentlemen are saying, "Sit on it. Look inward. Keep this technology in Canada because we do not want to be as other countries and take risks." We take some risks, admittedly. They say, "We prefer to withdraw than to confront the dilemma proposed by our policy, namely, how can we share this technology with the rest of the world and at the same time avoid the proliferation of nuclear weapons?" That is the dilemma.

The Honourable Member said it was a moral issue, but he ignored the moral question which we, as a rich, developed country would face if we did as he proposed and refused to take risks which other developed countries take - and there are risks - in sharing this technology with the rest of the world. The Honourable Member mentioned trouble spots. Of course there are trouble spots in the world. I wonder which parts are trouble free. Is there any part - The United Kingdom included, which has troubles with Northern Ireland - of which it could not be said that because of internal difficulties our most cautious policy would be to withdraw entirely from participating with that part of the national community.

Honourable Members spoke about a moratorium. They were explicit: we should stop making available nuclear power reactors, nuclear materials including uranium, the fuel for power reactors and nuclear technology. Previously I presented the position to the House honestly. It was a statement of fact. The Honourable Member for Nanaimo-Cowichan-The Islands said it was an indictment. If we were to cease our participation, sales of the CANDU reactor would be picked up by other countries. That is a fact. It is also a fact that whatever influence Canada has exercised, and continues to exercise - and it is considerable - in upgrading standards among the nuclear suppliers of the world would be less. The policy advocated by the Honourable Member would totally eliminate the considerable influence which Canada possesses at the present time.

I wonder whether honourable gentlemen opposite have thought through their proposals. They would affect indiscriminately the power programs of both industrialized and developing countries. Accepting the proposal they advance would constitute an abrogation of Canada's responsibility both in the field of international co-operation and in the area of adequate nuclear safeguards that would be part of our obligation under the NPT. Honourable Members asked why this country did not join the NPT and take on these responsibilities.

We have taken on these responsibilities, and one of them is to share our expertise and materials in this field with other countries of the world. Such a policy as advocated by the opposition would not only mean the cessation of sales of the CANDU reactor; it would have grave consequences domestically and internationally.

The power requirements of Canada's nuclear partners would be seriously jeopardized in the case of CANDU which in each instance is an integral part of the power program of those states. Pakistan is a good example. The Honourable Member for Northumberland-Durham (Mr. Lawrence) would presumably want us to throw our weight around in Pakistan. That is a possibility; we could cease co-operation and we could black out the city of Karachi by denying them their power source. That is a possibility which could be considered. In the case of uranium sales, the vital energy situation of some of Canada's most important trading partners, such as Japan, the Federal Republic of Germany, and the United Kingdom, among others, would be jeopardized. I suggest, too, that a moratorium, if it is said we exclude uranium, would bring about a radical dislocation of Canada's uranium mining industry which, following the downturn demand over the past decade, is only now able to develop its full potential and play the important role in the economy of which it is capable.

I was in the House of Commons in the sixties when the bottom fell out of the international uranium market, resulting in the dislocation of the industry at Elliot Lake and a consequent need for immediate compensatory action on the part of the federal government. So if we cease to participate in these developments, if we cease to supply equipment, technology and fuel, the consequences would be both domestic and international. In addition, we would lose whatever influence we have as a partner in this business of upgrading general nuclear standards. It is a policy which I do not recommend to the House of Commons, and I doubt whether anyone on this side of the House will find much difficulty in voting against the ill-conceived motion put forward by the Honourable Member for Northumberland-Durham.

Honourable Members opposite have been complaining about secrecy; they say they have been kept in ignorance and do not know what is going on. Mr. Speaker, on January 30 I tabled the agreements we signed with the Republic of Korea and with Argentina. I have also tabled a comprehensive statement on Canada's nuclear safeguards policy, the total background for the benefit of Honourable Members who wanted to be enlightened, who wanted to be in possession of more facts, who wanted to dispel the ignorance in which they have been so deeply immersed by members of the government. I notice that in the three speeches made, not a word was said about the safeguards policy; not a word was said about the agreements. No suggestion was made as to ways in which we might improve, if possible, the system of safeguards we have in effect.

The safeguards as reflected in those two agreements are extremely important. Honourable Members clamoured for those agreements; they were clamouring for an opportunity to study them. Today we find ourselves engaged in a debate on the subject, and I have been waiting for some enlightenment as to means by which those safeguard agreements might be improved. None was forthcoming. Maybe Honourable Members across the way would like a moratorium on those, too.

Perhaps they believe we should stop making these agreements and get out of the international field entirely. I want to tell them that safeguards are an extremely important aspect of the international non-proliferation system. There are others, of course. It must be recognized that proliferation is a political problem, one which stems from inequalities and imbalance within the international community.

If we want to succeed in the task of ensuring non-proliferation, we must cast the net wider. We must consider the causes of international tension and do something about the disparities which exist in the world. We must do something to bring about a better and more equitable international economic system. The safeguards constitute a system of legal commitments and a system of verification. The recipient state undertakes, legally, to observe certain pre-conditions and in particular commits itself not to undertake any explosive activity. In every negotiation in which we engage we attempt to add to the strength of this legal commitment.

As Honourable Members know, adherence to this legal commitment is verified by an international inspection system. Unfortunately, that system was downgraded by the Honourable Member in his speech. It is being constantly improved. It is implemented not only by personnel but by mechanisms. No one has ever said - and the Prime Minister made this clear in the speech to which I referred a few minutes ago - that it is 100 per cent foolproof. But the degree of statistical certainty is high and there is a high level of inhibition against diversion. We have recently completed a series of meetings with other nuclear suppliers in an effort to improve our system of international safeguards.

International standards, as Honourable Members will realize, are not static. They have been in evolution since the first agreements for co-operation in the peaceful application of nuclear energy were concluded in the 1950's. The trend in safeguards evolution has been one toward increased stringency both in the legal commitments and verification mechanisms which are required.

The most significant development, of course, that has taken place in the evolution of the safeguards system was the entry into effect of the non-proliferation treaty in 1970. Nuclear suppliers, who have certain generally defined obligations under the NPT, met for a number of years in order to define these obligations to a satisfactory working level. In August, 1974, countries that shared or were about to share these obligations, including the United Kingdom, the U.S.S.R., the United States, the Federal Republic of Germany, Japan and Canada, reached a basic consensus, one which was notified to the International Atomic Energy Agency on August 22 of that year, setting out their interpretation in some detail.

The policy of the countries which accepted this consensus required, as a minimum, that in transfers of certain nuclear equipment and materials to non-nuclear weapons states not party to the NPT the safeguards system of the IAEA applicable to individual projects be applied. The participating countries, which were later joined by others, also started an undertaking by the recipient not to use the supplied items for any explosive or other non-peaceful purposes as a prerequisite for the transfer. Recognizing the non-proliferation treat

as the keystone for international safeguards, Canada participated in these discussions and accepted the norms which were already consistent with Canadian policy as a basic standard for the safeguards it required. We did, as a country, go further than this particular consensus to which I refer; we went beyond the breadth of the "trigger list", which is fully outlined in the background paper that I tabled in the House on January 30. The details of that policy are clearly set out in that document.

In line with the argument that has been made today by the Honourable Member for Nanaimo-Cowichan-The Islands, the government was acutely conscious of the fact that one supplier cannot succeed unilaterally in raising the international safeguards standard and that Canada's forward position on safeguards and exports would only have real value and significance if the other major, significant suppliers also agreed to a similar set of policies.

Accordingly, a number of bilateral discussions have been initiated by Canada since the end of 1974 both on the level of officials and in the context of meetings held by the Prime Minister and myself. In part - and I think in significant part - as a result of these initiatives meetings among the officials of a number of countries have been held over the past year to examine the question of safeguards in great detail. There were diplomatic discussions of a sensitive nature, as the Honourable Member pointed out earlier, and in such cases it is up to the participants, if they wish to do so, to outline their role and policy. I should like to do that today on behalf of the government of Canada. I might say that all major suppliers presently on the international market shared these consultations, and more may do so. Let me only say this, that as a result of these international meetings Canada has notified certain other interested countries of the standards of safeguards required under its national policy pursuant to the consensus. This was also done by other participants.

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part of this undertaking. The standards also call for safeguards to be triggered by the transfer of technology for heavy-water production enrichment and reprocessing. Canadian policy, I should say parenthetically, places safeguards as well on reactor technology, which, as I understand it, was not agreed to for various reasons by the group suppliers.

It also sets out some of the areas where the government considers progress necessary for promoting non-proliferation, such as the promotion of regional fuel cycles. These are described in the background paper. The standard does not, as Canada would have wished, stipulate that safeguards be applied to the full nuclear program of the recipient country. Such a requirement is not, however, precluded and achievement of a consensus on this question may be a future result of efforts in the suppliers' group.

I have just given an exposition of Canada's position. This position, or policy is, of course, shared by the other supplier countries concerned about the problem. As the Prime Minister has stated, however, there has been no secret agreement or binding international treaty enforcing this standard. What there has been, as a result of consultation among senior technical officials, is a consensus decision expressed in unilateral form by a number of countries to accept certain safeguards principles in all cases of nuclear exports to non-nuclear weapon states, whether party to the NPT or not. More countries are likely, on the basis of review, to make such a decision.

The Canadian government has pressed, in its discussions, for the highest possible level of safeguards to be applied to all nuclear transfer. We are satisfied that much progress has been made as a result of this effort and that further progress can be made. It is one further stage in the evolution of the international safeguards system. The London club conclusions, as the suppliers' meetings have been called, have been a success. We have covered one of the difficulties that is encountered by a single country acting alone.

I have been invited to come clean in my explanation, and indeed I will be quite prepared to oblige because the situation with regard to India, or the question posed by our negotiations with India at the present time is a clear and easily understood question. The basic attitude I have taken in these negotiations is, in effect, what policy to be pursued by the government of Canada is in the best interests of non-proliferation in respect of India? I was going to make a political comment, but I had better not do so as my time is short. I will keep to the substance of the subject by saying that following the explosion in May, 1974, discussions have been held with the Indian government to ensure that existing safeguards on the RAPP reactor be strengthened, that the withdrawal of Canada from nuclear co-operation with India should not produce a collapse of the safeguards, and that India should carry out a responsible policy as a potential exporter of nuclear technology, material and equipment.

Following the explosion that occurred in India in May, 1974, Canada suspended its nuclear co-operation with India. It did so because in our view the carrying out of that explosion was in clear violation of the understanding that had been reached between Canada and India. In my view, no amount of argumentation can conceal the fact that the Indian government knew perfectly well that any kind of explosion would be contrary to the understanding that had been reached between Canada and India. That is clear to me.

The other argument has been put by India to the effect that you can have an explosion for peaceful purposes. We claim that the technology required for a so-called peaceful explosion is the same technology that leads to nuclear weaponry. No valid distinction can be drawn between an explosion for peaceful purposes and an explosion for weapons' purposes. That is our position, and it has continued to be our position up to the present time, although studies apparently have been launched, or are proposed to be launched under the auspices of the NPT respecting the suggestion that you can have an explosion for peaceful purposes.

We suspended our nuclear co-operation with India. The power reactor is not completed, but the shipment of materials has been suspended. Under the agreement with India that we entered into, we have an obligation to complete the shipment to the reactor, both of material and fuel. That is the obligation that is now in suspense. It is suggested, I believe, by the Honourable Member very clearly, that at this stage Canada should put into a permanent state its suspension of co-operation with India. That is a possible line of policy. But I ask the Honourable Member, has he considered the risk that might result if India then allowed the safeguard system at that reactor to disappear entirely?

They have, at the present time, on that reactor a safeguard system and part of our objective, if we continue our relationship with India, would be to upgrade the existing safeguards on the RAPP reactor. That is a question Honourable Members have to consider, and it is a question that I am presently considering. We have no intention of staying permanently in India. The purpose of our negotiations is to get out, and get out we will. The question is, do we get out now, or do we get out when we complete our current obligations; and in completing our current obligations, are we doing more for the non-proliferation system; and if we do get out now, do we leave that RAPP reactor unsafeguarded? Basically, this is one of the main questions that is now under consideration.

The Honourable Member has asked me to come clean with the House. I should like to put before the House some of the questions I am presently considering before making a final recommendation to my colleagues as to whether we ought to complete this particular aspect of our co-operation with India prior to terminating it altogether, because that is the total objective of our policy in the long-run.

What would be the consequences of making permanent the suspension of supplying nuclear co-operation to India? What would be the consequences on the safeguard system? Would the Indian government consider that the co-operation obligations of Canada had been breached, and that the safeguards - which are an integral part of the co-operation agreement - should be removed? To what extent should co-operation be resumed in order to permit an upgrading of existing safeguards on the RAPP reactor? Is the proposed agreement effective in ensuring that spent fuel from the RAPP reactor will never be used for explosions? To what extent does the proposed agreement represent new and significant safeguard obligations for India which would bear on the development of its nuclear policy? How would any upgraded system relate to this particular reactor about which we are concerned? How would such an upgraded system compare with Canadian and other suppliers' standards? Would our completing this single, particular program by which we might upgrade the safeguard system, lead to an over-all upgrading in the situation which other suppliers could accept and respect?

Other questions are: Would the completion of our particular project with India be an inhibiting or delaying factor regarding a further explosion in India? Would we have any effect or, indeed, would a second explosion be delayed or be out of bounds in India? These are some of the main questions that are now before me. They are questions which have been considered by the negotiators in India who have been acting under my instructions and have reached an understanding with their India counterparts.

I have not reached any conclusion on these understandings because there are further questions I want to ask and further refinements I want to achieve in respect of the interpretations of various terms that are being employed. But the simple test, really, is which is best for non-proliferation? Is it to get out, as the Honourable Member for Northumberland-Durham suggests, or to complete our particular single project and thereby achieve an upgrading of the safeguards system on an important nuclear reactor which, in the absence of the completion of our program, might be left unsafeguarded long into the future? That is the basic issue we face in so far as the India situation is concerned.

It has been a great disillusionment for Canada and the Canadian people that this unhappy and tragic explosion did take place in India. It certainly was against the understandings that we had reached and it had a serious effect upon all of us, I believe, in an attempt to reassess and reagonize over the dangers in respect of proliferation which exists in any transfer of nuclear technology, nuclear materials or nuclear equipment. We have reached the conclusion that even though there is a very difficult balancing to be made between the objective of sharing and the objective of non-proliferation, those two objectives can be pursued simultaneously and, as a responsible supplier, we probably, as a country, will do more to reach the objectives put forward this afternoon by participating energetically with principles rather than by withdrawing within a Canadian cloister.

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Mr. Allan Lawrence, MP (Northumberland-Durham): Mr. Speaker, I wonder whether the Minister would add a few questions to the list he is asking his officials.

Mr. MacEachen: I am asking myself.

Mr. Lawrence: Then I will ask the Minister right now whether the safeguards, for instance, in respect of the original reactor we provided for India are retroactive? Will the safeguards, for instance, cover the new reactors near Madras in which Canada will have very little input? A third question might well be: If, for instance, India exported some of its own technology and material to a country, let us say like Iran, and the deal is being made now, do these safeguards cover the whole nuclear industry in Iran, rather than just the small portion which may come from India? There is one other thing: Would the Minister please remember the old saying, "Once bitten, twice shy"?

I believe these are extremely pertinent questions. The Honourable Member asks whether the original reactor, the research reactor Cirrus, would be subject to safeguards.

Mr. Lawrence: One even before that.

Mr. MacEachen: This is the one from which the plutonium was produced, the RAPP reactor. These are questions we are now examining. I would ask the Honourable Member, if I may, rhetorically, whether he would prefer to have all of them, or would one or two be better than none?

STATEMENT DISCOURS



NOTES FOR ADDRESS BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J.
MACEachEN, TO THE CANADIAN
COMMISSION FOR UNESCO
OTTAWA, FRIDAY APRIL 2, 1976

Ladies and Gentlemen,

I should like to express my thanks for this invitation to address your Annual Meeting and I should like to take the opportunity to outline some of the views of the Canadian Government with respect to Unesco and recent developments within the Organization. I further wish to take this opportunity to pay tribute to Dr. Lawrence Cragg, to Professor Napoléon Leblanc, and to Mr. David Bartlett, who by their qualities of mind and spirit have made such a great contribution to Canadian involvement in Unesco and who deserve a good deal of the credit for the excellent reputation that Canada enjoys with the Agency. I should also like to mention Dr. James Harrison who unfortunately could not be here today, and to whom much credit is due for the success of Unesco's science programmes. Dr. Harrison has just retired from his post as Assistant Director, General Science, and he will be sorely missed.

I am also pleased that the Secretary General of Unesco is represented in the person of Mr. Zemi Lijady and, last but not least, I am happy that Ambassador Gagnon, our Permanent Delegate to Unesco, was able to come over from Paris for this important meeting.

It is hardly necessary to stress to you that since its beginning, Canada has firmly supported Unesco and continues to do so. We do so because we believe in the aims of the organization and because we believe in the high ideals so eloquently stated in its Constitution. Allow me to quote the words which I have in mind because I think they bear repeating. "Since wars begin in the minds of men, it is in the minds of men that the defences of peace must be constructed." It is a sad but inescapable fact that this necessity remains, and that the purpose for which Unesco was created must still be pursued, and, I quote again, for "the purpose of advancing, through the educational and scientific and cultural relations of the peoples of the world, the objectives of international peace and of the common welfare of mankind".

Of all the U.N. specialized agencies, Unesco perhaps reaches deepest into Canada's grass roots. Through the Canadian Commission for Unesco, individuals and organizations throughout Canada are associated with Unesco programmes in Canada, and interested and involved in the international activities of the Organization.

Thus, I need hardly remind this particular assembly that Unesco is unique among the specialized agencies of the U.N. system -- unique in the sense that a major portion of its activity is devoted to an area of primary interest to provincial governments. I am referring of course to the field of education. While Article VII of the Unesco constitution makes no specific reference to the particular circumstances of federal states which are members of Unesco, the Canadian Commission for Unesco has, for some time now, wisely included as a permanent member of the Commission, and as a permanent member of its Executive Committee, a representative of

the Council of Ministers of Education. It seems to me essential that Canada's participation in a major international forum such as Unesco benefit as much as possible from the active input of those organizations and individuals within Canada who possess the necessary competence to make a positive contribution. I am therefore reassured and encouraged by the arrangements already in place with respect to the CMEC.

However, as we are all well aware, provincial government interest in the work of Unesco is not confined to the field of education. It is certainly my impression that the last few years have witnessed a significant rise in the level of interest shown by the provinces generally, and by three or four in particular, in an increasingly wide range of Unesco activities. Personally, I welcome this development, recognizing, however, as we all do, the additional pressures which it may eventually bring to bear on our administrative machinery in this period of restraint. Certainly, as far as my Department is concerned, we are prepared to do our part to facilitate the involvement of all provincial governments which consider that they are in a position either to contribute to, or benefit from, any aspect of Unesco's work and its purpose.

Over the years Canada has contributed solidly to Unesco programmes -- in science through the International Hydrological Decade, Man and Biosphere, and the International Oceanographic Commission -- in education through support to Unesco initiatives in curriculum revision, teacher training and the application of science to development -- in culture through comparative studies, and exchanges of ideas, people, museum and research specimens, books and publications. Canada has been active in efforts to clarify concepts and define good international practice in areas such as human rights, access to education, cultural co-operation and the free flow of publications.

Since the 18th General Conference of Unesco, observers and critics have increasingly referred to the "politicization" of that Organization. Political discussion is nothing new to the U.N. family of organizations. What is relatively new, however, is the proliferation and dominance in some cases of extraneous political discussion in the various specialized agencies of the United Nations. You are no doubt aware that, although the publicity given to Unesco decisions has singled out that organization more or less as a symbol of undue "politicization", other specialized agencies have also been hit by the introduction of extraneous political debate in their discussions. What is disturbing is that we now see the possibility of the type of political debate, normally associated with the United Nations General Assembly and the Security Council, threatening to absorb an inordinate amount of time and energy at technical meetings, and to undermine efforts to deal seriously with the substantive and technical issues these fora are expected to discuss.

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This is an unfortunate development. On the other hand, we must realize that the impression that extraneous political discussion is on the increase has been magnified in the last few years by the suddenness and consistency with which the Western countries have found themselves in a minority position on many U.N. issues. And this is being widely, and sometimes dramatically, reported by the media.

This brings to mind the three decisions affecting Israel that were taken at the 18th General Conference of Unesco in 1974. One of those decisions, as you will recall, referred to the question of the Israeli application for membership in the European group of Unesco. Israel was denied membership, notwithstanding Canadian support. It is deplorable that, due to overly dramatic press reporting, the impression was left that Israel had been expelled from Unesco, whereas that question, as you well know, was never raised.

The other two decisions concerned the adoption, after protracted debates, of two resolutions, one on Jerusalem and the other on the occupied territories. In the view of the Government, Unesco and the other specialized agencies were not created, and do not have the mandate, to discuss political issues. In the particular instance of the Middle East, it is clear that the broad political questions involved cannot be taken into account in an adequate manner by a body like Unesco whose competence is limited to educational, scientific and cultural affairs. It is for these reasons that the Government of Canada publicly deplores the frequency of political discussion at Unesco and the introduction of questions extraneous to the purpose for which it was established.

Within Unesco we made known our disagreement, and we stressed our strongly-held conviction that politically-inspired resolutions would not produce the desired results and might well damage the effectiveness of the organization. I considered, however, that our reaction should be measured and constructive and that we would not serve Canada's interests or those of Unesco by taking more dramatic steps. There is no doubt in my mind that we took the proper course of action if all the valuable apolitical programmes of Unesco are not to be placed in jeopardy. As a responsible member of Unesco, Canada continues to pay its assessed contributions on time in accordance with the organization's financial regulations. It is regrettable that all members were not prompted to do so and as a consequence Unesco is now facing severe financial problems.

The Director General, Mr. M'Bow, asked member states for interest-free loans last fall. Canada could not accede to such a request until other avenues had been fully explored, including commercial loans, whereby all members of the organization would have to contribute to solving Unesco's financial problems in accordance with their ability to pay. In view of the circumstances, the Prime Minister advised Mr. M'Bow that he should examine other solutions as well as exercise budgetary restraint, and encourage all members to pay their contributions as early as possible.

This being said, some may wonder if the Canadian decision to cease participation in the expert meeting on mass media last December in Paris does not in fact indicate some toughening of the Canadian position towards Unesco. I should answer to this that our decision in that instance was in no way directed against the Organization itself. As you know, the Government has vigorously opposed in the United Nations General Assembly the adoption of the resolution equating Zionism with racism. When the Unesco meeting of experts decided specifically to refer to that resolution in its programme of action and when our objections, and those of like-minded countries, were not heeded, we did not see any alternative to withdrawing from the meeting. This was done only after the seriousness of our objections, and indeed the objections of all Western countries, were clearly stated by the participants in the meeting. In similar circumstances, we would have adopted a similar attitude in any other technical meeting of any other U.N. agency. This should not prevent us from participating in the 19th General Conference next fall, although I must add that continued reference in Unesco circles to the resolution on Zionism will undoubtedly discourage Canadian action in support of any programmes that might be tainted by such a reference.

The significance of Unesco as an international organization is underscored by the role it is called upon to play in the implementation of a number of provisions of the Final Act of the Conference on Security and Co-operation in Europe. It is the Government's belief that this document, which was signed on August 1, 1975, by Prime Minister Trudeau and the heads of government of the United States and thirty-three states of Europe, has set the course for the general improvement of East-West relations for years to come. Calling on the participating states to reduce the barriers which exist among them to the movement of people, ideas and culture, it specifically cites Unesco as an appropriate forum for working towards these objectives.

I am proud to be able to say that Canada played a significant role in the Conference. In so doing, we reinforced our commitment to European culture, where much of our heritage lies, and contributed to the political gains this document has achieved for Europe and for ourselves.

As an established organization with a Regional Group devoted to European affairs, in which Canada intends to participate actively, Unesco can make a lasting contribution to the promotion of understanding and confidence among governments and people. Each project it undertakes, each conference it sponsors, constitutes another step towards cementing the bonds of co-operation which the Helsinki Agreement sought to promote. People like you, who devote their time and efforts to making organizations such as Unesco successful, give strength to the hope we all share for a better world. It is indeed you who exemplify the spirit of Helsinki.

Allow me to turn now for a moment to the "changing of the guard" at Unesco Headquarters. Last year I met with the new Director General, Mr. M'Bow of Senegal, who replaced in 1974 the founding Director General, Mr. René Maheu. It is understandable that Mr. M'Bow is reshaping the Secretariat to meet the Organization's needs as he sees them, and that he has made a number of senior appointments, with some others to come. Canada is looking forward to working with the new team.

As you know, Canada is not represented on the Executive Board, and this places an added burden on Ambassador Gagnon and the staff of our Permanent Delegation in terms of keeping fully informed on Unesco directions through contacts with Secretariat officials and Executive Board members.

Looking to the future, we are now beginning our preparations for the 19th General Conference which is scheduled to be held in Nairobi, Kenya, from October 25 to November 30 this year. I need not belabour the financial restraints under which we must operate, and which dictate a smaller, though not less efficient, Canadian Delegation than is the case when the General Conferences are held at Headquarters in Paris. I am confident you will agree with this decision.

In co-operation with other government agencies concerned as well as with the national commission, my Department will soon be immersed in the planning and budget documents in which Unesco sets forth its short- and long-term programme plans and financial needs and resources. I have no doubt that the Canadian views on these documents, which will be presented at the General Conference, will be valued by member states and the Secretariat, as they have been at past conferences.

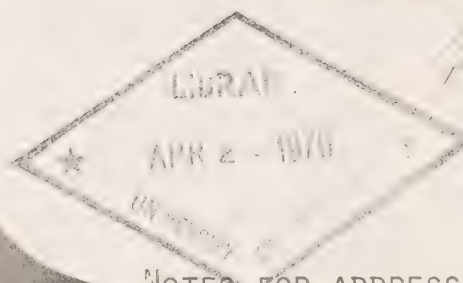
I can assure you that against the background of our concern over Unesco's financial problems, the Canadian Delegation will scrutinize the budget carefully to ensure that proposed expenditures are related to programme priorities and are solidly documented.

I am, as I am sure you are, proud of the fact that Canada is invariably among the first member states to meet its Unesco assessments each year (in Canada's case, \$2,453,535 for 1976). It is equally a matter of pride that with your active and imaginative co-operation we back up our financial contribution with our wholehearted participation in Unesco activities.

The excellent booklet entitled "Looking at Unesco" points out that the Unesco story, if it could be expressed in a graph, would not show a tidy curve rising toward the goals of peace and justice, of liberty and human dignity which the Organization's founders set for it. Yet, although peaks and valleys would be seen in the curve, the tendency would be upward.

As I said at the beginning of my remarks, Canada believes in the aims of Unesco and the Government intends to make every effort to ensure that the organization remains true to its original purpose. With your help, Canada can continue to make an important contribution and retain its reputation as an active and constructive member.

STATEMENT DISCOURS



NOTES FOR ADDRESS BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, THE
HONOURABLE ALLAN J.
MACEachEN, TO THE
INTERNATIONAL LAW ASSOCIATION,
THE CIIA, AND THE CLUB DES
RELATIONS INTERNATIONALES
OF THE UNIVERSITY OF
MONTREAL
APRIL 7, 1976

I should like to express my appreciation to Maître Emile Colas of the International Law Association and Mr. Richard Hopkinson of the Canadian Institute of International Affairs who have provided me with this opportunity to address the members of these two organizations as well as the members of the Club des Relations internationales of the Université de Montréal. I shall be speaking tonight on a subject which is of considerable importance to Canada, and which, in my view, merits the close attention of all Canadians, and especially of those with a particular interest in international affairs.

On December 2, 1975, I had the pleasure of tabling in the House of Commons a remarkable document. The official title of the document is the Final Act of the Conference on Security and Co-operation in Europe, called from the outset by its initials, CSCE. It has also been referred to at times as the Helsinki Agreement.

The Final Act of the CSCE represents the outcome of a meeting where, for the first time, the Heads of Government of Europe and North America met to establish the basis for future relations between their respective nations and their peoples. Although it is not a treaty, the Final Act carries a great deal of weight because, at the insistence of the Western countries, it created moral and political obligations which must be met by all the parties that signed their names in Helsinki. As such it sets the stage for further progress in East-West relations.

As I said in New York, the concept of détente is alive as far as Canada is concerned. It has been argued that détente has been used as a cover to lull us into a false sense of security. This is a danger to which we must remain alert. Obviously, we cannot afford to let down our guard or let our security depend solely upon the good intentions of others. At a press conference in New York on March 19, I pointed out that we understand the necessity of strength, and we have exhibited our credentials in that respect by reviewing and increasing our commitment to NATO. In my view, maintaining our strength is consistent with the policy of détente, for it was our fundamental strength that formed the basis of our negotiating position and that made it possible for us to extract the maximum benefit out of the CSCE negotiations.

The Final Act means that we have taken an important step forward in the process of détente because, for the first time, after long and difficult negotiations, a consensus on a formal document was reached by all countries of Europe (except Albania) as well as Canada and the United States. By putting their signatures to the Final Act, all these countries agreed to every word, phrase and paragraph in the document. And that, you will agree, was a considerable achievement and does give the Final Act a unique status. It also means that we are in a good position to insist that all provisions of the document are implemented by all the participating countries.

The Final Act covers four main areas, which have become known as "Baskets". Basket I deals with security questions, relations between states and confidence-building measures. Basket II is entitled "Co-operation in the Fields of Economics, Science and Technology and the Environment". Basket III is perhaps the most renowned basket of all, and basically is concerned with co-operation in humanitarian fields. The last basket, Basket IV, provides for the holding of a Review Conference in Belgrade in 1977 in order to assess progress in the implementation of all the aspects of the Final Act and to seek new ways of improving relations.

In commenting in somewhat more detail on the results of the Conference, I first wish to deal with a question of great concern to many Canadians - the possibility that by signing the Final Act of the CSCE, Canada is somehow sanctifying the status quo in Europe. This issue should be viewed in light of the aims of the Soviet Union as they have been revealed in the last 30 years and during the course of the CSCE itself. The Soviet Union basically wanted three things from the Conference: a document that bestowed a general blessing on the European status quo, a more or less formal confirmation of its dominant position in Eastern Europe and an acknowledgement of the essential role of the Soviet Union in all matters related to European security.

The means that Soviet leaders saw as most appropriate to the achievement of this aim was agreement at the CSCE to a Declaration of Principles guiding the relations between states. By use of this form of charter, a special variety of international law would have been created featuring separate principles on the inviolability of frontiers and territorial integrity which they intended to interpret as being tantamount to recognition of post-World War II frontiers in Europe. As work progressed at the Conference in other fields, two other desiderata were stressed by the Soviet delegation - principles concerning the sovereign equality of states (involving respect for the internal laws of states) and non-interference in the internal affairs of states.

But in fact, the majority of the ten principles in Basket I relating to questions of security in Europe, were cast in Western terms and reaffirmed principles previously articulated and established in documents such as the Charter of the United Nations. No new law, no lex specialis for Europe, has been set down.

The Final Act contains clear statements on the respect for human rights and fundamental freedoms, on the equal rights and self-determination of peoples, on co-operation among states and on the fulfilment in good faith of obligations under international law. It also contained a principle on the inviolability of frontiers but emphasized that frontiers can be changed, in accordance with international law, by peaceful means and by agreement. The emphasis throughout is on state-to-state or person-to-person as opposed to bloc-to-bloc relations, and on change as opposed to the status quo. These issues were of vital concern to us in our pursuit of the policy of détente. Canada with its allies made it clear throughout the negotiations that our interest was in the relaxation of tensions so that all people might live in a more peaceful and less dangerous world.

Basket II meets that aspect of the policy of détente which calls for co-operation in the fields of trade, science, the environment and tourism. One of the principal problems encountered in these dealings in the past has been the difficulty in making effective contacts - and the Final Act recognizes that these are just as important to trade as they are in the cultural and educational fields.

One of the tests of the success of the CSCE, therefore, will be the extent to which such contacts can be developed. As you will appreciate, much of the detailed work in this area has still to be done - part of it in the Multilateral Trade Negotiations in Geneva and part in the Economic Commission for Europe, in both of which organizations Canada is playing its part. As a major trading and industrial nation, Canada will have much to gain from the implementation of Basket II, and we will actively pursue the promising opportunities for the various forms of co-operation recommended.

The part of the Final Act that reflects Canada's and Western concerns most clearly is Basket III. Here state-to-state relations are secondary to the emphasis on person-to-person relations. This area represents a breakthrough in itself, since before CSCE, some countries did not consider that matters such as family reunification, the movement of people and ideas and the treatment of journalists were negotiable in a multilateral setting at all. After two years of hard work, however, the texts in Basket III have proved most satisfactory. Canada considers that these texts should now be acted upon by all participants; no further agreements are necessary before their letter and spirit can be implemented.

The Basket III texts will be for Canada one of the main indicators of the progress of détente. If in the months to come states are guided in their policies by these formulations, détente will have achieved a human dimension that will lend substance and durability to the process of reducing international tensions and promoting understanding between people. As I said in New York, Canada is quite concerned about the Soviet Union and other Eastern European countries living up to the provisions of the Helsinki accords on the reunification of families and the freer movement of peoples. That is a very deep preoccupation of Canadian policy and we will be following that up next year at Belgrade where we will be asking what performance has been forthcoming from the Soviet Union and others in that field.

What was the Canadian stake in the CSCE? How has Canada benefitted from the Conference and how can we expect to benefit in the future? Canada entered the negotiations with a short but definite shopping list of items that concerned us. We wanted to play a part in the Conference commensurate with our interests in Europe, and in this general aim we succeeded. We wanted formulations on the non-use of force and the peaceful settlement of disputes, but we did not want the CSCE to act as a peace conference and legally settle boundaries. We were also successful in this direction.

Canada had a particular concern as a country of immigration to support measures conducive to the freer movement of people and ideas. This hope has come to fruition as well, and worthy of special note in this regard is a strong text on the reunification of families that was sponsored by Canada.

Canada also favoured the development of a confidence-building measure involving advance notification of military manoeuvres, and after difficult negotiations such a confidence-building measure was worked out. Finally, Canada had important economic interests to safeguard and advance, and the Basket II texts have met our requirements in this respect.

The usefulness of the CSCE Final Act has already become evident. For example, the family reunification text provided a basis for the agreement to establish diplomatic relations with the German Democratic Republic. Texts in Baskets II and III are now being used in bilateral negotiations in such areas as consular agreements, economic agreements and discussions over double taxation. In the military sphere, Canada is participating in the prior notification of military manoeuvres being undertaken by NATO. The range of subjects opened up by the CSCE is so great in fact that comprehensive reviews are still underway in several government departments to determine how Canada should order its priorities.

The CSCE was an unprecedented undertaking with the potential for changing the basic East-West relationship. But the degree to which the CSCE will be judged as an historic event will be determined by how its provisions are put into effect and by the willingness of all participating states to live up to the spirit of the agreement entered into.

The Final Act envisages three kinds of follow-up - unilateral, bilateral and multilateral, and as I said earlier, provides for a meeting at the senior official level in Belgrade in 1977 to review the progress being made and possibly to organize a resumed Conference.

In Canada we are meeting our responsibilities under the Final Act. Copies of the document have been widely circulated to the concerned government agencies and to the provinces as a guide for future action. All will have to consider what changes should be made in our present practices to conform with the political commitments we have accepted. In our bilateral relations we are referring to the document to see where its provisions can provide guidance on how these relations can most profitably be developed. In communiqués, agreements and treaties, the wording of the Final Act has proven to be extremely helpful, reflecting as it does the distilled views of the 35 participating states. Multilaterally, work is progressing satisfactorily in two existing United Nations bodies, the Economic Commission for Europe and UNESCO, to decide where and how to begin. The programmes envisaged by the Final Act are indeed so extensive and detailed that it is obvious that many kinds of multilateral action cannot even be started, much less completed, before the Belgrade meetings.

One of our commitments has been to publish the Final Act in Canada and to make it widely known. The press, in covering the Helsinki meeting, has done a great deal in this direction already. In addition, the Government has put on sale, at a very moderate price, copies of the Final Act. My Department has also been meeting requests for copies from a wide range of non-governmental bodies whose part in implementing the provisions of the Final Act will be essential. It is the Government's policy to ensure that the Final Act of Helsinki is implemented as soon and as completely as possible, and this process is already well under way.

I believe what I have said about the CSCE has indicated that the Conference was indeed worth the efforts of the participating States. While we in the West were flexible when appropriate, no positions of principle have been abandoned for the sake of an early end. The CSCE Final Act represents the will to peace of the people of 35 countries. It is part of a process which looks to the future, a future inevitably of change and adaptation. The challenge for us is to make the promise contained in the document real. The framework for co-operation has been set up. States now have to work within that framework to achieve progress. The year still remaining before the review meeting in 1977 will be a critical time during which the practicability of détente will continue to be tested. Canada intends to play its part in giving substance to détente, in making it matter for people in their day-to-day lives. We trust that the other participating States will join us in this endeavour.

STATEMENT DISCOURS



Canada

STATEMENT BY THE SECRETARY
OF STATE FOR EXTERNAL
AFFAIRS OF CANADA,
THE HONOURABLE ALLAN J.
MACEachEN, AT THE LAW
OF THE SEA CONFERENCE
IN NEW YORK,
APRIL 12, 1976

"SETTLEMENT OF DISPUTES
IN THE LAW OF THE SEA
CONVENTION"



Mr. President, it is my privilege to be able to address this Conference for the third time, and it is with great pleasure that I note the very considerable progress made in New York, Caracas and Geneva, and at the many inter-sessional meetings which have also been held. I take this occasion, Mr. President, to congratulate you, the Chairmen of the Committees and of the various informal working groups for the work which has been accomplished to date under their guidance. Much has been done, Mr. President, indeed much more has been done than many believed possible when the Conference convened over two years ago.

I note also with real gratification the very evident determination of delegates with whom I have had the honour of speaking to make every effort to bring the work of this Conference to a successful conclusion. This has been and will continue to be a very significant factor in the negotiating process. However, all too much remains to be done. On a variety of questions it is not yet clear whether a consensus can be reached. Mr. President, time is running out.

I stated in an address to the Thirtieth Session of the United Nations General Assembly in New York on September 22, 1975 that "the viability of an increasingly interdependent world order rests on the creation of an international economic system which provides a more equitable distribution of resources and opportunities to all peoples." I went on to say that "This principle must be reflected in the new Law of the Sea". It is of direct relevance to the subject matter of our debate today that I said also on that occasion that the future Law of the Sea should be based on the revolutionary new legal concepts of the economic zone and the common heritage of mankind, and that it "must lay down duties to go hand in hand with every new right recognized". I wish to reaffirm most emphatically what I said then, namely, that this new law "must be based on principles of equity rather than power". It is a corollary to these premises that compulsory third party settlement adjudication procedures provide the best guarantees of just and equitable solutions to disputes which may arise out of the proposed treaty. Mr. President, the crucial role of third party compulsory adjudication processes in the peaceful settlement of disputes arising out of the proposed Convention on the Law of the Sea does not

need emphasizing. The dangerous and unacceptable alternatives to such peaceful settlement procedures are all too clear.

The problem of dispute settlement has received relatively little attention by the Conference to date. However, I believe it is of fundamental importance if we are to have a viable and lasting Convention on the Law of the Sea.

The Government of Canada strongly supports the inclusion of a comprehensive system of compulsory dispute settlement in the Law of the Sea Convention. Both at the United Nations and at other international fora it has long been Canadian policy to press for the inclusion of provisions for the compulsory settlement of international disputes in international conventions. It is the belief of my Government, Mr. President, that any State adhering to an international legal instrument should be prepared to show its willingness to abide by the terms of that instrument by agreeing to its conduct in relation to that instrument being judged by an impartial system of compulsory third party dispute settlement.

If we are successful in reaching agreement on a comprehensive Law of the Sea Convention it will be one of the most important and complex legal instruments ever to be negotiated within an international conference. It should be borne in mind that, while some of the rules set out in the

Convention will be based upon rules whose meaning is already widely understood, a great many of the rules of the future Convention will be new and radical - even revolutionary. Even with the very best will in the world, differences will arise from time to time between States as to the interpretation and application of its provisions, despite all the efforts which are presently being made to ensure clarity and the development of adequate mechanisms concerning dispute avoidance. Such differences must, of course, first be the subject of negotiation, and it would be undesirable in the view of the Government of Canada to supplant this fundamental process in international relations. However, it is equally clear that from time to time disputes will arise in which States will find themselves in a position in which only the reference of a disputed question to an independent third party can provide a solution to the dispute. We believe that reference of such disputes concerning the interpretation and application of the Law of the Sea Convention to third party settlement can be of value both to parties to the dispute, and, in the long run, to all States in providing an important means of elucidation and interpretation of the text. It goes without saying that independent and impartial third party settlement procedures benefit the less powerful States in particular, since such processes ensure equality before the law.

It is the Canadian view that a comprehensive system of compulsory dispute settlement should be an integral part of the Law of the Sea Convention. It follows that the inclusion of an optional protocol leaving it open to States to accept or reject compulsory third party adjudication would not merely constitute a second best solution but a failure of the Conference on a central issue.

As to the most suitable procedure, we have not yet adopted a firm position. The Canadian Delegation will continue to promote the elaboration of provisions which, while reflecting the basic approach to the subject which I have just outlined, seem likely to command broad support within the Conference.

I welcome the personal initiative of the President in presenting the Conference with a text on the settlement of disputes. While we have reservations as to a number of specific aspects of this text, we welcome its introduction and congratulate you, Mr. President, on the leadership which you have shown in this regard. At this point, I feel it appropriate also to note that your text draws heavily upon the work of an informal group of experts chaired by Ambassador Harry of Australia, Ambassador Galindo Pohl of El Salvador and a distinguished member of the Delegation of

Kenya, Mr. Adede. I would like to congratulate the Co-Chairmen upon the valuable contribution which they have made to the work of the Conference. In short, Mr. President the Canadian Delegation is prepared to use your text as a basis for future negotiations upon the subject of dispute settlement. Moreover, we consider that it will be of great assistance in future deliberations concerning procedures appropriate to each element of the Convention.

Without, at this point, embarking upon detailed comments of the text, I would like to outline a few of Canada's fundamental objectives with respect to the compulsory settlement of disputes arising under the Law of the Sea Convention and relate them to the provisions of Part IV of the Single Negotiating Text as it now stands:

1. In establishing the system of compulsory dispute settlement there must be reciprocity between States. The system must be even-handed. It should not be open to States to impose compulsory adjudication on other states with respect to issues on which they are not prepared to be taken to court. It should not be open to States to insist on the right to litigate issues arising in the economic zone while refusing to litigate issues arising in such areas as international straits.

2. While in favour of allowing States to choose the system of compulsory dispute settlement which they consider to be the most appropriate, we support the inclusion of a comprehensive system of compulsory dispute settlement in the Law of the Sea Convention applicable to all disputes. We do not favour an optional protocol approach.
3. In our view the procedures should rely, as much as possible, upon existing procedures for dispute settlement such as Arbitration and the International Court of Justice.
4. We think it useful to provide for a limited number of special compulsory dispute settlement procedures appropriate to the special needs of certain types of problems.
5. The system devised should allow for adequate provisional measures, appeals and the standing of parties other than States.
6. Compulsory dispute settlement ought not to be open for use for the purpose of nullifying or unduly limiting rights and duties recognized in the substantive provisions of the Convention.

I propose to comment on each of these basic premises.

1. Clearly the future Convention will place certain matters within the domestic jurisdiction of States. On these matters no international dispute settlement can arise due to

the nature of the rights involved. However, apart from these matters, my Delegation believes it to be of importance to ensure that there be a comprehensive system of compulsory dispute settlement applicable not only in the Economic Zone but also to disputes arising on the High Seas and in any other area of the seas, such as international straits, where such interests as the freedom of navigation are potentially in conflict with the interests of coastal states. If certain States make the protection of freedom of navigation by compulsory dispute settlement a precondition to agreement it must be borne in mind that coastal States have corresponding rights of environmental integrity and security which are equally in need of protection. These rights must also be protected by compulsory dispute settlement.

2. With respect to the principle that States should be free to choose the system of dispute settlement most appropriate to their needs, provided that the procedure is one which leads to a binding decision, the proposals in Part IV of the Single Negotiating Text appear to be satisfactory since they lay down this principle in clear and unequivocal terms. The corollary of this fundamental principle is that, subject to any specific exceptions made in the Convention, no State should be free to pick and

choose the areas of law - or the seas - it wishes to subject to compulsory settlement. Parties to the Convention should be prepared to submit all disputes to binding dispute settlement. Similarly Canada would be opposed to any system which allowed plaintiff States to opt in at the last minute for the purpose of instituting an action against another State, while not having previously made themselves subject to compulsory dispute settlement proceedings brought by other States.

It is for similar reasons that Canada would not favour a system of dispute settlement based upon an optional protocol. Given the nature and extent of new law which would be embodied in the Convention, such an approach could destroy the very basis of an effective system of compulsory jurisdiction.

3. With respect to the issue of the most appropriate comprehensive procedure to be chosen, we have reservations as to the proposals set out in Part IV of the Single Negotiating Text. Article 9 of that text gives primacy to a new "Law of the Sea Tribunal". We wonder if we need a new court at this time when we already have the International Court of Justice and arbitral procedures. What would be the effect of the creation of such a new tribunal upon the existing Judicial Organ of the United Nations? Furthermore, are there not many disputes which

could be better solved by arbitration whether of a purely judicial character or through recourse to expert advice on such issues, for example, as scientific research? For these reasons Canada would prefer to retain recourse to Arbitration and to the International Court of Justice as the basic procedures to exercise comprehensive jurisdiction. If however, a majority of States at the Conference clearly prefer the creation of a new tribunal of the type proposed, then we would be willing to work with other delegates to establish an appropriate institution.

4. We are prepared to envisage the inclusion of a number of special procedures in the Convention. The variety of issues dealt with by the Convention makes it necessary to tailor certain special procedures to deal with certain particular problems. These procedures can be either of a judicial character or designed to ensure the avoidance of disputes. At present, consideration is being given in Committee I to a judicial organ of the International Seabed Authority, and in Committee III to a special procedure to deal with disputes in the field of marine scientific research. A Continental Shelf Boundary Commission designed to avoid disputes as to the seaward limit of the continental margin is also under consideration. We believe that such special procedures could prove very useful.

It must be noted in passing that the link between the special procedures set out in Annex II and Article 6 of the Single Negotiating Text Part IV is unclear. We presume that the procedures in that Annex are set out largely for illustrative purposes. At the present time my Delegation does not consider that the procedures for arbitration by experts set out in Annex II would be appropriate as the principal means of resolving all disputes concerning fisheries, pollution and marine scientific research, although the advice of experts may be of great value in some circumstances. In considering the utility of special functional procedures we believe it necessary to ensure that such procedures are appropriate to the rights to be exercised by States and the problems with which they are designed to deal. In our view special procedures are no panacea and should not replace the comprehensive procedure as a general rule.

5. We note the provisions for appeals from the special procedures to the comprehensive procedures and for provisional measures at the inception of a dispute. We have questions as to the utility of these provisions. However, we are prepared to consider them with other delegations. With respect to the standing of parties to a dispute, as set out in Article 13, we have considerable difficulty

with the suggestion that, as a general rule, private persons and private companies should be placed on an equal footing with States. We are however prepared to examine an exception relating to the standing of private parties before the judicial organ of the International Seabed Authority in contractual matters.

6. One of the most complex and important issues relating to compulsory dispute settlement is that of the extent to which disputes arising out of the exercise of coastal state authority in the economic zone should be subject to compulsory dispute settlement. On the one hand, the resource rights and environmental duties of coastal States in the economic zone will involve the exercise of broad discretion there. On the other hand, these rights and corresponding duties must be exercised in conformity with the Convention and should not lead to interference with the legitimate rights of other States.

Canada is as concerned as any State to ensure that there be no undue restriction on the exercise of its resource rights and environmental duties within the economic zone. We do not, however, share the view that no disputes arising in the economic zone should be subject to compulsory dispute settlement. How do we ensure a proper balance of interests between all States concerned? Firstly, we believe that the primary protection of both coastal States and the other users

must lie in the drafting of the precise and concrete substantive rights which they are to exercise in the economic zone, and the duties they must fulfil in it, provided for at present in Part II of the Single Negotiating Text. Secondly, we attach great importance to the establishment of adequate bilateral, regional and multilateral procedures for dispute avoidance. In this light it is difficult to envisage dispute settlement with respect to the exploration and exploitation of the resources of the seabed and subsoil of the continental shelf. Similarly, I have difficulty in envisaging dispute settlement concerning fisheries management - except perhaps concerning the failure of a coastal State to meet its obligations in respect of conservation and full utilization. The Single Negotiating Text Part II confers broad management authority upon coastal States and in the view of my Delegation any difficulties which the coastal State may encounter with other States in the exercise of its management jurisdiction over fisheries will be best resolved by negotiation, and by the establishment of various bilateral and multilateral bodies with recommendatory powers designed to avoid disputes. I believe also that coastal States must be free to exercise their jurisdiction over the prevention of pollution and the regulation of marine scientific research in the economic zone, so long as they remain within the specific bounds of the discretion vested in them and do not infringe the rights of other States. In cases of gross

abuse, adjudication should apply both with respect to coastal States and other users, and both in the economic zone and international straits.

How then can we define the situations where compulsory dispute settlement would be appropriate? One solution would be to make an exception stating that there shall be no dispute settlement with respect to disputes arising in the economic zone or international straits, except in the case of a gross abuse or "abus de pouvoir" by either the coastal State or by other users. Another approach would be to state that there could be no compulsory dispute settlement except in the case of interference by the coastal State in certain specific rights of other States such as freedom of navigation or scientific research, or the abuse of such navigational rights by other states in a manner which damages coastal or straits States. I note that a basis for either approach is already to be found in Article 18 of the Single Negotiating Text.

This is a complex question, but I believe that it will be possible to find a middle ground between those who would reject any compulsory dispute settlement in the economic zone and those who would demand it on all economic zone issues.

Finally a word about procedure. My Delegation feels that it will be necessary to provide a forum for further work on the settlement of disputes. Since this subject is left to the Plenary Session of the Conference I would suggest that one approach would be to establish a Working Group of the Plenary to continue negotiation upon this subject once it has been properly debated in this forum. I would also suggest that this group be open-ended, but I would hope, Mr. President, that you would use your good offices to ensure that this Working Group was broadly representative of the Conference. Canada would, of course, be prepared to participate in the work of the Group.

In conclusion, Mr. President, my Delegation is prepared to work with other delegations for the resolution of difficult problems concerning the compulsory settlement of disputes now before the Conference. We do so in the belief that a realistic, comprehensive and viable system of compulsory disputes settlement is vital not only for the long-term utility of the text which we are negotiating but also for the promotion of the rule of law in the international affairs and hence the shaping of a peaceful world.

Mr. President, Mr. Chairman, in my address to the Thirtieth Session of the United Nations General Assembly which I referred to earlier I stressed the benefits to this and future generations of a comprehensive treaty on the Law of the Sea. I should like to reiterate at this time what I said then about the desirability of resolving the many difficult Law of the Sea issues with which we are grappling by means of a multilateral agreement of universal application. I should like to reiterate the longstanding position of the Canadian Government that only if the multilateral approach fails will my Government resort to other solutions. I remain of the view, however, that at a certain point in time further delay or procrastination constitutes failure and that point is rapidly approaching. My Government considers it absolutely essential that we conclude the Law of the Sea Conference in 1976.

Mr. President, I cannot over emphasize the importance of the role of binding dispute settlement procedures as an integral part of the multilateral treaty we are all seeking. I pointed out in my address to the Thirtieth Session of the United Nations General Assembly that although in 1945 the founders of the United Nations believed they had devised a system for the settlement of disputes between nations without recourse to the use of

force, it is an unfortunate fact of life that thirty years later this fundamental problem still faces the United Nations. It seems increasingly clear that, contrary to the expectations after both the First and Second World Wars, international society will not develop into an international community by settling first the problems of the use of force. The process, in my view, will, on the contrary, consist of regulating, step by step, so many difficult fields of relations between states so effectively that there will be less and less reason to resort to force and thus less resistance to the gradual acceptance of real constraints upon its use. Success in this Conference will mark a tremendous step forward in the process of laying the foundations for a peaceful, stable and equitable world order.

STATEMENT DISCOURS



SPEECH BY THE SECRETARY OF
STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J.
MACEachEN, AT THE
CANADA-ISRAEL COMMITTEE
LUNCHEON

APRIL 29, 1976

Rabbi Plaut, Your Excellency Ambassador Shalev and distinguished dignitaries at the head table, ladies and gentlemen,

May I begin by thanking you for the kind invitation to speak to you today. As you know, I spoke at the Beth Tzedec Synagogue in Toronto on February 26; on March 11 I met with representatives of the Canada-Israel Committee and only last Monday I had a meeting with representatives of the Canadian Jewish Congress. In the course of these dialogues, it has been possible to deal with quite a range of issues of interest to you and of interest to me. In the course of the meetings with the Canada-Israel Committee and the Canadian Jewish Congress to which I have just referred we were able to deal with in some detail eight subjects of interest which will be of continuing concern to me and to you as we move ahead along the path that was so eloquently described for us by your Chairman.

Today's luncheon provides a further opportunity to continue our dialogue on issues which are of particular concern to the Jewish community and if, in my comments today, I do not deal with all the issues of interest to you, you will understand that they have been live subjects already under discussion and will be under discussion between us in the future.

What I do want to do in my remarks at this luncheon is to mention my visit to Israel last January and particularly my discussions with the Israeli leaders. My visit to Israel was a reaffirmation of the importance we attach to Canada-Israel relations in the bilateral sphere and a reminder in the context of my Middle East visit that we remain solidly behind Israel in insisting on a just and peaceful resolution of the Middle East conflict, a just and peaceful solution, which recognizes and respects Israel's basic rights. There are, of course, a great many official and unofficial links between Canada and Israel which attest to the closeness of our relations, and I considered that an official visit by the Secretary of State for External Affairs was overdue after an interval of almost seven years. Moreover, I wanted to get to know the Israeli leaders on a personal basis and discuss with them a number of points that are of interest internationally and bilaterally.

I should add that I also had personal reasons for wishing to go to the Holy Land because of my interest in the many religious and historical sites which are such a vital part of our common heritage. Furthermore, I wanted to observe at first hand some of the new types of community that the Israelis have so successfully created and obtain some insight into the reasons why these new ways of social organization have not only flourished in their own setting but also provided so many of Israel's most dynamic citizens and leaders.

But I should like to turn for a moment to my discussions with Foreign Minister Allon. I remember these talks with particular pleasure - the Ambassador tells me that it is harder for you to pronounce MacEachen in Israeli than it is for me to pronounce Allon - well, I hope I do respect to his name's pronunciation, but I certainly want to do respect to the impression which the Foreign Minister of Israel created upon me in the course of a very good and wide-ranging session during which we explained our respective persistence in exploring new ways of cooperation between our countries.

I took the opportunity to reiterate in these official talks that the continued existence of Israel remains the cornerstone of Canadian policy and I stressed that this is not an attitude that we maintain passively but that we defend this principle actively and vigorously in international fora. By the same token, we refuse to become a party to attempts to undermine the legitimacy of the state of Israel in international bodies and we ensure that our policy in that regard is clearly understood, and I appreciate the references you have made, Rabbi Plaut, to these instances which I would like to refer to later in the course of my remarks.

The Foreign Minister of Israel and I also discussed our bilateral trade relations and I assured him, as I have wished to assure Canadian citizens, that Canada is ready to consider with Israel measures that might be used to facilitate Israel's entry into our market and that we would be happy as a Government to consult on ways in which our economic cooperation generally could be improved. I suggested that it might be useful if officials of our two countries got together to discuss specific ways to bring us closer to this common objective.

As an example of our already in place economic cooperation, I mentioned that the Export Development Corporation had been active in Israel and had extended a considerable amount of credit. I added also that it was still in this field, and still prepared and ready to consider applications on a case-by-case basis. Probably the most interesting proposal and the most valuable proposal that came out of our discussions on economic bilateral relations was the proposition put forward by the Foreign Minister that further acceleration of our joint economic cooperation might be achieved by setting up a Joint Committee of businessmen and officials which would meet regularly. While there is a great deal of informal contact between the people of Canada and Israel and while there is a flow of businessmen from one country to the other, there does seem to be some merit in establishing a more formal framework through such a Joint Committee to further our economic cooperation. I have since then had an opportunity to raise the matter with my colleagues in the Cabinet, the proposition was well received, and the view was that our bilateral relations could benefit from the creation of such a formal body. As Mr. Shalev has mentioned to me, now it is a matter for the bureaucrats on both sides to carry forward this political will and to establish a framework, an official framework, in which this further cooperation can take place.

I was particularly intrigued by the description made by the Foreign Minister, of Israel's development program in various parts of the world. Israel is a relatively small country gripped with difficulties but in that context it has not failed to respond to the global challenge of development in the underdeveloped parts of the world, in the third world, as that part of the globe is called, and the proposal now under consideration is that it might be possible for Canada and Israel to cooperate in the international development field for the benefit of third countries where our approaches and resources might compliment one another. It seems to me that bringing Canada and Israel together in development work in third countries would provide an opportunity for the expression of our common values and an opportunity to implement the ideals which we hold together in terms of international development.

I wanted to make this very clear in my visit, that apart from the difficulties that may exist in the Middle East conflict we should not take our eye off the long-term objective of increasing mutually beneficial bilateral relations with Israel and that is also an important element in my government's foreign policy - that while we may be agitated, and rightfully so, with respect to developments at the United Nations and other international bodies, there is a constructive field of endeavour open to us bilaterally that probably will do more to forge links between these countries than speeches and rhetoric in international bodies, though I do not doubt the value of these approaches. I thought that if out of my visit there could come a Joint Economic Committee - Canada-Israel a joint international effort in third world countries, then indeed my visit would have been well justified.

I also stressed with the Foreign Minister our desire to increase our political consultations on the international level. Not only do we want to deepen our relationship bilaterally, but I believe there is a place for increased consultations between Israel and Canada on international questions which are vital issues to both countries particularly with respect to the Middle East.

As you know, in the course of my conversations with the Foreign Minister, he indicated to me the positive attitude which his Government is taking towards HABITAT. As you know, Mr. Allon confirmed to me officially that Israel would be participating and he stressed that the concept of HABITAT was very close to his heart and the heart of the people of Israel as it was to the Israeli architect who had built the first "Habitat" at the time of the 1967 Montreal EXPO. I found these exchanges very illuminating and helpful. In the course of my discussions, I invited Mr. Allon to pay an official visit to Canada. He has taken up the invitation and now it remains for him and ourselves to decide on a mutually beneficial or mutually convenient date this year so that a further step will be taken in this process of improving and developing our bilateral relations. As His Excellency Mr. Shalev knows, because he accompanied me on these visits, I had the great fortune to have a long and useful private meeting with the Prime Minister who briefed me in great detail on his country's attitude to

Middle East peace negotiations and to complete my discussions with top Israeli leaders I was received for an interview with the President himself.

I mentioned earlier, Mr. Chairman, my interest in the new types of communities that the Israelis have created, and my hosts had kindly arranged for a trip to the northern part of the country and I made stops at the Kibbutz Gonen and the cooperative village of Kfar Yuval, and I also made a tour of the Hula Valley. I found this trip a unique experience and it is certainly essential for anyone who wishes to gain some insight into the strength of the Israeli character and personality. I was impressed by the results that the settlers have achieved by good planning, determination, hard work and a more than ordinary amount of courage. These settlements are a tribute to the spirit of the Israeli pioneers and I am grateful that I had an opportunity to see them at work and to hear their views. It was my conclusion on the personal level that my understanding of the people had increased immeasurably by these personal contacts and my tour of the Hula Valley gave me a comprehension hitherto not experienced of the great importance to Israel of the border question and an appropriate and satisfactory settlement of the border question.

May I turn just for a moment Mr. Chairman, because you mentioned it, and because it is very much on my mind, to Canada's support of Israel's legitimate rights at the United Nations and elsewhere.

I believe an examination of the Canadian record reveals that the positions we take are based on principles and that we adopt a firm and positive posture in defence of those principles and in defence of fair play. I am concerned that our foreign policy with respect to the Middle East will be based upon principles that are supportable by you and by the Canadian people. In the implementation of these principles, there are obvious difficulties at times, as Rabbi Plaut pointed out. However, he did mention the most notorious case, in which it was possible for Canada to take a clear stand in support of fundamental principles. Last fall during the 30th Session of the U.N., we opposed the particular resolution that had linked racism with Zionism; we opposed it through our votes and our pronouncements at the United Nations, we opposed it in many capitals of the world in diplomatic representation, but I also opposed it when I was in the Middle East and in my visit to the various Arab countries. In fact, in a statement made in Jordan during my visit to the Middle East, I described this resolution as troublesome, unhelpful, and destructive, and I was prepared to say the same words that had been stated in the House of Commons, in the Arab world itself - and I believe that is a measure of the strength of our convictions. Not only did we regard that resolution with all the abhorrence that I have described, but we also felt that it had tainted two related resolutions concerning the program of the U.N. Decade against Racism and the holding of the U.N. Conference on Racism to take place in 1978. We voted also against these two resolutions, because they were stands on principle.

I hope it does comfort you and reassure you, ladies and gentlemen, as it does me, that the Parliament of Canada, the Members of the House of Commons and the Members of the Senate, in a unanimously adopted resolution, condemned in unequivocal terms the adoption of this resolution at the United Nations. I believe that Canada -the democratically-elected House of Commons and the Senate of Canada - were the only legislative bodies in the world that took this particular action. The same ugly subject has come up in technical meetings of the United Nations. I want to refer to some of the developments that take place at the specialized and technical agencies of the United Nations; the debates at these specialized agencies are not free from extraneous political considerations, the introduction of which make the functioning of these agencies very difficult indeed. To our regret and despite our opposition, the blatantly gratuitous and provocative issue of linking Zionism and racism was introduced in December in a UNESCO debate on a proposed international declaration on the mass media. Canada argued forcefully that the introduction of elements which are firmly opposed by a significant number of delegations made a successful outcome of the deliberations impossible, and also the introduction of such matters would not enhance the reputation of UNESCO in the international community. When our voice, based on practical considerations, when our voice spoken from principle, was not listened to, when what we said was disregarded, we, in company with other like-minded nations withdrew from the debate and left the meeting in order to express our opposition in the best way we knew at that time to the introduction of such matters into the United Nations. And my colleague, the Minister of State for Urban Affairs, raised this subject in his speech, certainly with my concurrence, and quoted words which I uttered before another audience on this same subject of UNESCO. Now we are faced with a Conference to take place in Canada later this year, a major international conference in which Canada has a great interest and a great commitment and in which the world itself has a great commitment. We will do our utmost to keep this conference on the rails, to keep the discussion upon the major subjects that are before the conference, but if extraneous political questions are introduced, the Canadian Government will take its responsibility in this particular occasion as it has taken its responsibility amidst other challenges, some of which I have described today.

Now, just one more point: I am preventing myself, Rabbi, from getting to the question period but I do want to make one comment about my political conclusion as a result of my visit to the Middle East particularly with respect to the possibility of an early settlement.

I came away with a much greater appreciation of the intractability of the problem which is facing the countries of the Middle East. I came away also with an enhanced understanding of the necessity of permitting the parties themselves to work out solutions to this particular problem. I do not believe that it is possible to impose a settlement upon the parties, that settlement has to be worked out among themselves. I realize that in this world, in international fora and elsewhere, Israel has been under attack and Israel has been pushed around, but I wanted to tell you that one country is not pushing Israel around, either at international fora, or leaning upon it to accept positions alien to its own interests - that country is Canada. I want you to bear that in mind as you assess our foreign policy. We believe and we have repeatedly stated the necessity of a settlement arrived at by the parties. In this case, of course, Israel is a party. I believe that the Prime Minister said that "we are 50 per cent of the situation". I do not know whether he used that numerical quantity but certainly that was his idea. I came away really quite distressed because I did not see any prospect for an immediate settlement. I do not see any prospect of a resumption of shuttle diplomacy, nor do I see any prospect of a resumed international conference to settle the Middle East question at the present time. That situation will undoubtedly change as the political situation in various countries changes, but I want to mention that, in approaching any ultimate settlement which is so essential to the welfare of the people of Israel and all the people of the Middle East, Canada will stand by well-established principles and well-established cornerstones of its policy.

So, may I say in conclusion, and in reviewing my discussions with the Israeli leaders and my impressions of the country, that I consider that my visit was very successful. I have gained a better understanding of the Israeli attitude on questions that concern both our countries and I had the opportunity to explain our own position in considerable detail. Obviously, both sides benefit from closer contact and I hope that the momentum established through my visit can be maintained and that we will use to good advantage the friendly and easy relationship which happily exists between Canada and Israel.

STATEMENT DISCOURS



NOTES FOR INTERVENTION
BY THE SECRETARY OF
STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J.
MACEachEN, AT UNCTAD IV,
MAY 7, 1976
NAIROBI, KENYA

"SHARING AND SURVIVAL"

Mr. President:

At Santiago, in 1972, the Head of the Canadian Delegation looked back at the development of UNCTAD since the first conference. He reviewed its growth and concluded that UNCTAD had taken its place as one of the great deliberative bodies of the world. That is now beyond question: UNCTAD has become an indispensable element of the system. Much credit for this must go to its three distinguished Secretaries-General: Raul Prebisch, Manuel Pérez-Guerrero, and Gamani Corea.

Since 1972 a great deal has happened to increase the importance of UNCTAD. Events in the economic sphere have altered permanently the way in which we perceive international economic problems and the way in which we must cope with them. UNCTAD has become one of the foremost international institutions to which we turn to find solutions to economic problems of global concern. We must look far into the future, and do so with an unprecedented sense of urgency.

In the past four years the efforts of the international community to comprehend and address the global economic problems with which this conference must deal have not been in vain. We now have a much improved knowledge and appreciation of these problems and of the ways in which they affect the Third World. We know they are complex and difficult but not insoluble. We have learned that the most promising way to make progress is through a sustained dialogue based on an increased readiness of the wealthier countries to share their wealth and of all to deal with the issues realistically and constructively. I believe that we have passed the stage of analysis and assessment of issues. We must now get together to devise workable and dynamic solutions - and solutions mean action.

It is of significance - and particularly so for this conference - that a group of countries is meeting throughout this year in Paris to discuss in depth the problems of energy, raw materials, development and finance. I have the honour of sharing the duties of presiding over the Conference on International Economic Co-operation with the distinguished head of the Venezuelan

delegation, Dr. Manuel Perez-Guerrero. The Paris Conference is a different kind of international forum - with a limited time frame and a representative, if restricted membership. It is, nevertheless, of importance to our deliberations here because the Paris Conference and UNCTAD IV share common goals. Clearly our efforts in Nairobi and Paris must be mutually reinforcing. As co-chairman of the Paris Conference I am convinced that substantial and positive results here at UNCTAD IV - results so vitally important in themselves - will assist us in Paris in fulfilling the objectives of that Conference. If we succeed here, the process which is underway in Paris will be much strengthened. We shall be better able as we come to the second half of the Conference in Paris to focus on specific proposals for action. UNCTAD and CIEC can both contribute to the essential goal: international economic co-operation for the benefit of all countries and people.

Against this background I submit that all countries have a stake in the outcome of this Conference. In UNCTAD we are in a forum for global consideration and negotiation by all countries of crucial economic, trade and development issues of common interest. If we approach these issues with a recognition of our common interests, if we understand the importance of mutual benefit and of sharing, we can succeed.

I would like now to turn to some of the specific issues before the Conference.

Commodities

Improvement in the position of developing countries which export primary commodities must be our basic objective. In our view, the stabilization of commodity prices and earnings is perhaps the most fundamental problem that this Conference must address. Canada as a major commodity trader regards the instability of commodity markets as a major weakness of the international trading system requiring urgent remedy. We accept the need for a comprehensive integrated approach to the resolution of commodity trade problems and we shall work for the elaboration of elements of such an approach, particularly as regards individual commodities.

As part of the Canadian approach we support the principle of joint producer-consumer financial responsibility on a mandatory basis for the establishment of buffer stocks within commodity arrangements containing such stocks. In the negotiation of the Fifth International Tin Agreement we had indicated that we were prepared to accept mandatory producer-consumer financing of the buffer stock. That Agreement, as negotiated, provides for voluntary contributions from consumer members. I am pleased to state that Canada shall make a financial contribution to the buffer stock of the Fifth International Tin Agreement.

At the Seventh Special Session of the United Nations General Assembly Canada indicated its willingness to examine sympathetically, along with other potential donors, the concept of a common fund to finance buffer stocks. In our view the need for such a fund and its operational modalities will depend on a number of commodities for which agreements based on buffer stocks are negotiated. We are prepared to continue examination of the proposal for a common fund in the light of the results of commodity consultations and negotiations.

In the months ahead we expect that interested Governments will come together to work out, within an agreed time frame, specific ways and means to deal with the problems of individual commodities and give effect to the decisions of this Conference.

Financial Problems of Developing Countries

There are a number of important financial issues of special concern to developing countries on the agenda of this conference. I wish to address two of these in particular - debt relief in the context of the balance of payments problems of developing countries and official development assistance.

The growth of the global balance of payments deficit of non-OPEC developing countries from approximately 9 billion dollars in 1973 to between 35 and 45 billion dollars in 1975 emphasizes the importance of our deliberations. It is not sufficient to address the current debt problems of developing countries. We must also work to reduce their occurrence in the future.

Canada attaches great importance to the provision of development assistance on the softest possible terms. We consider it essential that loans conferred as development assistance not place developing country recipients in debt repayment situations in which they will eventually have difficulty in meeting their financial obligations.

Canada's development assistance has been and continues to be highly concessional. To date all of Canada's official development assistance has exceeded a grant element of 50% with an overall average of 95%. We believe that the terms on which development assistance funds are provided, particularly to the poorest countries, should be improved. We urge that the international grant element threshold for official development assistance be raised above 25% as a meaningful step in this direction and we are prepared to join other donors in setting the new threshold as high as 50 percent.

Turning to the immediate problem I wish to affirm Canada's readiness to consider debt relief for developing countries. We are conscious of the particularly acute debt problem of the poorest of the developing countries and are prepared to look sympathetically at specific cases. Multilateral development finance institutions, for their part, should consider committing new resources, within their programme priorities, up to the equivalent of the debt service payments due them from countries for which an agreed debt reorganization is negotiated.

We approach the question of an international conference to consider the debt problems of developing countries with an open mind. It would be important that any such conference be well prepared and that its objectives be clearly defined. We see the need to consider debt questions in the context of overall balance of payments problems and hence as being closely tied to the level of financial flows.

With respect to the levels of official development assistance Canada's ODA as a percentage of GNP has grown to over 0.55 percent in our fiscal year 1975/76. We reaffirm our determination to achieve the target of 0.7 percent. In the coming years Canada's official development assistance will continue to grow and we shall work toward the 0.7 percent target as rapidly as available fiscal

resources allow. The bulk of our assistance will continue to be provided to the poorest developing countries.

Trade Liberalization

It is fundamental to the development of the countries of the Third World that their exports have access to the markets of the industrialized countries. Of course their mutual trade and access to one another's markets is also of major importance. We are working through the multi-lateral trade negotiations in Geneva for trade liberalization measures which will have a beneficial impact on the economies of developing countries. In connection with industrial development and further processing of raw materials in producing countries, Canada has made specific proposals in the MTN which, we believe, will be beneficial to the developing countries producing certain important raw materials.

The establishment of generalized preference schemes has been an important means of encouraging the exports of developing countries. We welcome the improvement others have made in their schemes. Canada proposes to broaden its system through the work of the tropical products group of the MTN and also intends to extend its geographical coverage to include all the least developed of developing countries and all the former Portuguese territories whether or not they have most-favoured nation agreements with Canada.

Within the MTN Canada will seek improvement of rules on the application of safeguard actions, including those applied against the products of developing countries, which will ensure that such actions are temporary and subject to international guidelines and surveillance. We will be reviewing our current adjustment assistance measures in the context of the MTN and will be taking into account the interests of developing countries as they relate to the longer term evolution of the Canadian economy.

Finally in the area of trade, Canada is examining various alternatives for using aid funds to establish a trade facilitation office to assist developing countries seeking to export to the Canadian market. The UNCTAD/GATT International Trade Centre could play an important role in this endeavour.

Transfer of Technology

The final specific area I wish to touch on is the transfer of technology. Canada is giving continued and substantial support for the development of appropriate technologies for developing countries through our aid programme and through the International Development Research Centre, which focusses its attention and resources on research and technology in developing countries. Canada intends to explore further the creation of links between research institutions in Canada and corresponding institutions in developing countries. Such arrangements could provide Canadian institutions with a greater appreciation of the problems of developing countries - they could influence, over the longer term, the orientation of our domestic research and development programmes toward Third World problems, and they could provide a channel for the transfer of advice, assistance and technology to developing countries.

Canada would support further work on a voluntary, universally applicable, code of conduct which sets out guidelines for the transfer of technology on a supplier-recipient basis. We further support continuing international discussion within UNCTAD on restrictive business practices adversely affecting international trade, particularly that of developing countries.

Conclusion

I have outlined our views and ideas on several of the major issues and proposals before this conference.

There is a heavy responsibility on every government to facilitate the confidence of the global community. Part of our task at UNCTAD IV will be to bring closer together our differing perceptions as to what is equitable and what can be achieved. Canada as a developed country recognizes that the commitment to share is fundamental to our success.

We must see the hard decisions ahead of us not only in terms of problems to be solved but in terms of opportunities and challenges to shape a better world. This will require intensified efforts to reduce disparities between rich and poor throughout the world and to eliminate wasteful

consumption. Difficult choices are required now - if necessary action is not taken now harder decisions and more drastic sacrifices will have to be made in the future.

Canada will use its influence and its resources to bring about constructive change in the international economic system. I pledge my own effort to continue to work toward this goal here at UNCTAD IV and at the Conference on International Economic Co-operation.

It is Canada's conviction that only through sharing can we ensure our survival.

STATEMENT DISCOURS



NOTES FOR A STATEMENT
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachen,
TO THE STANDING COMMITTEE
ON EXTERNAL AFFAIRS AND
NATIONAL DEFENCE,
OTTAWA, MAY 11, 1976

In the past year there have been a number of important developments in the relations between developed and developing countries, and I should like to begin by describing some of the aspects of the crucial dialogue which is now in progress.

The launching of the Conference on International Economic Co-operation last December marked a significant step forward in coming to grips with the complex problems involved in building a new, and more equitable, international economic system. As you know, we are playing a major role in this unique venture in international economic co-operation, which brought together twenty-seven representatives of developed and developing, as well as OPEC, countries with a view to achieving understandings on a broad variety of energy, commodity, trade, development, and financial issues.

Since February, the four Commissions of the CIEC -- Energy, Raw Materials, Development, and Finance -- have held three meetings at which representatives of the OPEC and developing countries (G19) and the industrialized countries (G8) have exchanged preliminary views on a wide variety of issues. Canada participates in the Energy and Development Commissions and has taken an active part in their work as well as following closely through observers the work of the Raw Materials and Finance Commissions. This first phase of the Conference has necessarily been of an exploratory and analytical character. It would be unrealistic to expect that the conference, in the space of three months, could achieve explicit and concrete results on the complex issues under consideration, issues which go to the heart of the economic policies of all the participating countries.

However, my conversations in Nairobi with my fellow chairman, Dr. Pérez Guerrero, and foreign ministers from many of the participating countries encourage me to think that we shall be able to make considerable progress at our mid-term meeting in July which will be chaired jointly by Dr. Pérez Guerrero and myself. At that time we will be able to assess the work completed and I hope that it will be possible to provide more refined guidance for the Commissions in their new rounds. In particular, I hope that we will be able to concentrate on individual problems in a more selective manner in order to have positive achievements in the latter half of the year.

As members are aware, I have just returned from UNCTAD IV - where the developed and developing nations are jointly tackling matters related to trade and development issues in order to try to reduce disparities between rich and poor countries. This process was given further impetus at the Seventh Special Session of UNGA and I hope that this momentum can be maintained in Nairobi. It is expected that as the Conference continues, questions of commodity trade, debt relief and the transfer of technology will be the focal points of the debate of UNCTAD IV.

I agree with the view of this Committee that it is essential to build toward an increasing sense of common interest between the rich countries and the poor countries. I share your feeling that Canada has a particular role in this process and that we must be a positive mediator, advancing proposals that are as forthcoming, as practical, and as fundamental as we are able to devise.

In my statement to the Conference, I pointed out the Canadian position on several of the most crucial issues before the delegates. Canada supports the need for a comprehensive integrated approach to commodity problems and also the principle of joint producer/consumer financial responsibility, on a mandatory basis, for the establishment of buffer stocks within commodity agreements, where the utilization of such a mechanism for price stabilization is appropriate. In this context, I announced that Canada will be making a voluntary contribution to the buffer stock of the Fifth International Tin Agreement and that Canada is prepared to continue examining the proposal for a common fund in the light of current and future commodity consultations and negotiations. Canada is also fully prepared to participate in working out specific ways and means, within an agreed time frame, to deal with the problems of individual commodities and to give effect to the decisions taken at UNCTAD IV.

Canada believes that development assistance loans should not create debt repayment crises for the recipients of the loans and therefore we proposed that the grant element threshold for Official Development Assistance (ODA) should be raised above 25 per cent and that, in conjunction with other donors, we would be willing to raise the threshold as high as 50 per cent. I indicated that we are prepared to consider debt relief on a case-by-case basis with particular sympathy for the problems of the poorest of the developing countries and encouraged multilateral finance institutions to consider committing new resources, within their programme priorities, to countries for which an agreed debt reorganization has been negotiated. The question of an international debt conference will be approached with an open mind; however, I pointed out that debt questions should be seen in the context of overall balance of payments problems.

Canada will continue its substantial support for the development of appropriate technology for developing countries through its aid programme and through the International Development Research Centre. At the same time, we are exploring the creation of links between research institutions in Canada and in developing countries and of the possibilities for Canadian assistance. We also support further work on a voluntary, universally applicable Code of Conduct setting out guidelines for the transfer of technology on a supplier-recipient basis and the continuance of international discussion on restrictive business practices which adversely affect trade, particularly with the developing world.

Canada has heeded the call of the developing countries for a more equitable system of international economic relations. At the same time, we are, of course, continuing to assist the developing countries through the operations of the Canadian International Development Agency.

The CIDA estimates for 1976-77 amount to almost \$737 million, about \$25 million more than last year. Combined with a carry-forward of uncommitted funds from earlier years, this will produce for CIDA a cash-flow ceiling, approved and adjusted by Treasury Board, of slightly over one billion dollars. Compared to the equivalent figures for 1975-76 -- disbursements of some \$903 million, trimmed back from the \$933 million I indicated to you last April -- this will mean that Canada's ODA expenditures will continue to grow at a rate of more than 10 per cent.

When all the figures are in for the fiscal year just ended, Canada's ODA will likely stand at about .58 per cent of GNP, the highest level yet reached and a great improvement over the late 1960's, when we were providing about one-third of one per cent of GNP and ranked 10th or 11th among the 16 donors listed by the Development Assistance Committee. Canadians can feel some satisfaction that we have moved this close to the quantitative goal, while maintaining the highly concessional quality of Canadian aid. The estimates for 1976-77 at least show that there will again be a significant increase in aid disbursements.

Looking at the estimates in detail, you will find that disbursements for bilateral programmes, excluding food aid, will rise to \$462 million, an 11.5 per cent increase over last year's \$414 million. Multilateral disbursements, again excluding food aid, will be \$243 million, an increase of about 12 per cent over last year's figure, allowing more support for both the concessionary funds and the ordinary operations of the various development banks. The provision for special programmes, such as matching grants for non-governmental organizations and funds for the International Development Research Centre, will grow from \$61 million last year to \$66 million.

The other major element in our assistance programme is food aid. When delegates met in Rome in 1974 to deal with the world food crisis, Canada showed leadership by taking on quite specific commitments for the following three years. For 1975-76, the Rome pledges have been met through a food aid programme that has grown rapidly from \$117 million in 1973-74 to \$174 million in 1974-75, and last year reached a total of some \$215 million.

For the coming year, I am pleased to announce that Canada will provide roughly \$230 million of food aid. Of this total, about \$105 million will be channeled through multilateral organizations. You may recall that Canadian support for the World Food Programme grew dramatically last year, from about \$20 million in 1974-75 to \$94.5 million in 1975-76. We will increase our contribution for the current year to \$103 million, because the World Food Programme has a comprehensive overview of world food needs, and because it has effective programmes that link food aid to development work in a way that reaches the people in greatest need.

Our programme of bilateral food aid will provide Canadian grain, milk powder, and other types of food for India, Bangladesh, Sri Lanka and for other countries in Asia, Africa and Central America, to a total value of about \$125 million. Because food production recovered well during 1975 in the developing countries, it will be possible for some of this food aid to be used in rebuilding the buffer stocks that were so dangerously depleted by the recent crisis. A substantial reserve fund of some \$33 million has been set aside to help cope with situations that may arise during the year.

These are the details -- but how well do they fit into the overall pattern of Canada's strategy for international development co-operation, as outlined last September? In offering you today an initial report on how the strategy has been implemented

during these past eight months, I should add that much of the thinking in the strategy further clarified concepts that have long shaped Canadian policy, and that these ideas are now receiving increased expression in the form of initiatives that will be taken or projects that will be agreed upon in the near future. Thus, I will not attempt to give a full explanation of what is being done in response to each of the strategy's 21 points, but will limit myself to some essential highlights.

A few days ago I announced the first of a series of sectoral guidelines explaining our policy in regard to the major areas of international development. I am also pleased to tell you that there has been a substantial shift in the emphasis given to various sectors in the planning of projects. Among those projects to which we are currently committed, agriculture, strictly defined, accounts for 13 per cent of dollar value, and ranks third as a sector of concentration, after public utilities and education. But among the projects currently in the planning stage, it ranks first as a sector, and accounts for more than 30 per cent of dollar value.

We are also giving priority to the poorest developing countries. Our early planning for the next five years indicates that 80 per cent of official development assistance will go to the poorest countries, those with an annual GNP in 1973 of \$200 or less, 11 per cent to those in the \$200-\$375 range, and less than 10 per cent to those above that level.

Greater geographic concentration is also a feature of our development strategy. In 1976-77 the number of countries in which we have a systematically planned and continuing development programme will be reduced from 30 to 27. Fifty-six per cent of our bilateral funds will be focused on the ten largest country programmes, and 40 per cent on the five largest.

I will only add that, besides these specific steps, the strategy of course influences the day-to-day operation of our programme, and that many studies or administrative changes are underway or have been completed to make possible the further implementation of the strategy. Among these are such initiatives as the working-out of administrative mechanisms for the untying of Canadian assistance to procurement in developing countries; a major study on what the effects would be -- both the benefits to developing countries and the costs to the Canadian economy -- of full untying; and an examination of the possibility of substituting agricultural inputs for some of our food-aid programme, since the true need is for greater production where the people live rather than unending shipment of food across the oceans.

Having dealt with a number of aspects of Canada's relations with developing countries, I should now like to turn to another matter of immediate concern to Canada.

The Third UN Conference on the Law of the Sea has just concluded its fourth session in New York and it is my considered judgement that it has achieved significant progress in most areas of its mandate. There may remain a number of important issues that will require further negotiation before full success is achieved but the new negotiating text produced by the Chairmen of the Conference is a considerable improvement over last year's draft.

Let me review briefly developments as they affect the main issues which the Conference seeks to settle and their impact on Canada's interests.

The first part of the new text deals with the range of complex and radically new concepts that are being developed in order to regulate future activities in the international seabed area beyond the limits of national jurisdiction. It now provides, in my view, many of the basic elements necessary for a true accommodation of interests between developing and developed countries. Whereas the articles drafted in Geneva last year were regarded by the technologically advanced countries as impracticable, the new text represents a more realistic approach to the problem. At the same time, the concept that the international area will be the "common heritage of mankind" and not an area of renewed colonial expansion, has been given more specific and concrete meaning through a series of new draft articles and technical annexes covering a wide range of issues. Admittedly, a number of developing countries have reservations about the new text as they have yet to be fully satisfied that their interests and aspirations are adequately met by the far-reaching provisions of this new draft. Canada places high importance on the satisfactory resolution through further negotiations of the remaining contentious issues. These include some of direct interest to Canada, such as the composition of the proposed council and more particularly the formula for production controls which would relate seabed to landbased mineral production.

The second part of the new text deals, among other questions, with the Economic Zone concept, a concept which we regard as the foundation stone of any successful Law of the Sea Conference. In spite of the many attempts made by certain groups, notably the landlocked and geographically disadvantaged states and some of the long distance fishing nations, to erode the very nature of the Economic Zone, the concept has emerged unscathed and is now firmly entrenched in the consensus which is reflected in the revised single negotiating text. This means that Canada would acquire sovereign rights over living resources (that is, fisheries resources) out to 200 miles, would maintain its sovereign right over the resources of the continental shelf out to the edge of the continental margin, and would have recognized in specific treaty language its right to preserve the marine environment and control scientific research.

On fisheries, the basic compromise reflected in the original single negotiating text accommodated all essential Canadian interests, and has re-emerged intact in the revised text. In fact, there were very few changes to the fisheries articles, and these were mostly editorial in nature, including the change we brought about to the Anadromous Species Article to correct certain editorial problems that had found their way into the original single negotiating text. The most difficult issue that remains to be resolved is the question of rights of access by landlocked and "geographically disadvantaged" states to the fisheries within the economic zones of coastal states in the same region or sub-region. The revised single negotiating text contains provisions on this subject that will require further negotiations. They contain no provisions that would materially derogate from Canada's sovereign rights over fisheries in the future 200-mile economic zone, nor would we be prepared to accept such derogation in future negotiations.

With respect to the continental shelf, the previous affirmation of coastal states sovereign rights to the edge of the continental margin was confirmed together with the concept of revenue-sharing in respect of the seabed resources found between the 200-mile limit and edge of the margin.

Canada was extremely active in New York in the debate on the preservation of the marine environment. The basic Canadian approach is reflected in the revised single negotiating text on this subject, whereby the draft articles establish an umbrella convention laying down fundamental treaty obligations to preserve the marine environment. The original single negotiating text was already in large measure acceptable to Canada but it was particularly deficient in our view on the subject of the control of pollution from ships. It provided very limited powers to coastal states over ships found in the territorial sea, economic zone, or in ports (in respect of violations committed elsewhere). The revised single negotiating text contains major improvements. It moves some appreciable way towards striking the balance between, on the one hand, the rights and duties which coastal states, flag states and port states must have to control pollution from vessels, and, on the other hand, the need to maintain freedom of maritime commerce and communications.

Canada has also been seeking a provision in this section of the Convention which would provide international recognition that Canada has the right to protect the Arctic marine environment by the imposition of higher vessel source pollution standards than those agreed to internationally. The revised single negotiating text contains such a provision. The formulation which now appears has been discussed by the states most directly concerned and will, we hope, provide a basis for general agreement.

From the Canadian point of view, the revised single negotiating text articles on preservation of the marine environment still need further refinement. Canadian efforts have made a major contribution to bringing the text to its present form, and we will continue to provide leadership in further redrafting, not only to protect Canada's own marine environment but the oceans as a whole.

The articles in the revised text on marine scientific research provide, in our view, a large measure of protection to vital coastal state interests in the economic zone and on the continental shelf, while at the same time ensuring that important international interests in promoting and co-operating in research programmes are not impeded. While there will still undoubtedly be some further revisions and changes at the next session, I believe we have a good basis for an eventual compromise on this issue. Likewise, the articles on transfer of technology provide that states shall co-operate in providing the developing countries with the scientific and technological capability they need for the utilization and management of their marine resources and the protection of the marine environment. At the same time, the text recognizes that this co-operation must have proper regard for all legitimate interests, including the rights and duties of holders, suppliers and recipients of marine technology.

In my statement to the conference on April 12, 1976, I stated that Canada supported the inclusion of comprehensive dispute settlement procedures in the convention. I also stated that these provisions must be compatible with the rights and duties of states particularly within the economic zone; similarly I stated that these provisions must be based upon a reciprocity of interests of all states and should not simply stress dispute settlement on matters of interest to one group of states.

The new Part IV of the single negotiating text on the settlement of disputes appears unduly complicated and will require refinement and simplification. Since dispute settlement was discussed for the first time in the Plenary Session of the Conference in April of this year, it remains one of the outstanding issues upon which negotiation will begin at the next session of the Conference. The Canadian Delegation will, of course, be actively engaged in these negotiations.

Canada, therefore, has good reason to be pleased with the results of the Conference. Unfortunately, the Conference was not able to conclude its work. It is encouraging, however, that a further session will be held within a relatively short space of time in New York, beginning August 2 and extending until September 17.

Mr. Chairman, I have attempted to draw some comparisons between the new revised single negotiating text and the previous Geneva negotiating text in order to provide some indication of the measure of progress achieved at the New York session. I think, however, that members of this Committee should be aware that the real significance of the New York negotiating text is that it reflects the great distances already travelled and maintains the needed momentum in the development of radical new concepts in international law. Canada, together with other states, set out to restructure some of the basic concepts of international law because of our conviction that they no longer reflected the needs of our times. I can say to this Committee that whatever occurs in the next session of the Conference and whether or not the Conference concludes in success or failure, radical changes are being effected in international law as a result of the multilateral negotiating process which has occurred within the Conference.

I think that members will agree from what I have said that now is the time to intensify our negotiating efforts at the Conference. Our goal of establishing a sound legal régime for the world's oceans is worth this effort.

I should now like to deal with another subject which is of great significance. There can be no doubt as to the present and growing importance of Western Europe to Canada. Our many and diverse links with the countries of Western Europe, political, economic, social and cultural, have been forged in part as a result of traditional ties with Canada's major "countries of origin", and more recently as a result of our perception of the importance of Europe's role in the modern world. In the multilateral context, we have been members of the Atlantic Alliance since its inception and have recently reaffirmed our commitment to it in unmistakable terms. We have in addition declared our strong support for the continuing efforts of Western European countries to achieve a high degree of integration within the framework of the European Community; and indeed for some time we have been engaged in the negotiation of an agreement providing for commercial and economic co-operation which should have extremely beneficial effects for the Canada-Europe relationship.

We are not of course unaware of the difficulties that confront the countries of Western Europe. As a highly industrialized area which has relatively few primary resources and is heavily dependent for its prosperity on exporting manufactures and services, Western Europe has been particularly hard hit by the economic recession of the past two years. Today there are five million unemployed Western Europeans. The existing instruments for monetary, economic, social and regional co-operation have proved unequal to the situation,

which is further complicated by the high degree of structural disparity between the stronger and weaker economies of the region. Moreover there has been considerable disappointment with the limited success achieved to date by the European Community institutions in coming to grips with the question of economic and political union, including the holding of direct elections to the European parliament.

These shorter term trends and developments have made it even more difficult than previously for governments to accommodate in sufficient measure the rising expectations of their citizens and have exacerbated strains in the political fabric of a number of Western European countries. This is particularly true of the countries situated on the northern shores of the Mediterranean. These countries, with the exception of France and Italy, are not yet fully industrialized and are all what can best be described as societies in transition. The pressures generated by the need for rapid development and modernization in these already essentially fluid societies are further heightened by setbacks in the development process. Moreover these countries have been ruled, for varying periods, by governments that have not been notably responsive to changes in society or in the general world environment. In at least one of these countries, Italy, it is possible that Communists will sooner or later be admitted to participation in the government in one form or another. This is a prospect that is certainly going to have repercussions on the broader European scene and on the functioning of such institutions as NATO and, perhaps to a lesser degree, the European Community. It is not a prospect to which Canadians can be indifferent, and indeed I had occasion to speak of it publicly some weeks ago. The essentials of the Canadian position are that we have a vital interest in the maintenance of the democratic and parliamentary structures and principles of the societies and governments of Western Europe; at the same time, we are strongly attached to the principle of non-interference in the domestic affairs of other countries. We respect the internal political evolution in each country.

There are, then, issues and problems in Europe about which we have real concern. However, I think we can hold to a view of reasoned optimism. Even in Southern European countries which are affected by potentially disruptive forces, it can be maintained that a substantial degree of change is long overdue, and may well be a sine qua non of stability and measured progress in the longer term. Some of the difficulties which Europe as a whole faces at the present time are difficult which we face ourselves: to a significant degree they spring from a trough in the business cycle. But it is a matter of encouragement to us that even in these adverse circumstances,

the will of the Europeans to move forward together and the common policies by which the Europeans reflect their will to do so, have not been reversed. Furthermore, I think it is clear that Western Europe, like ourselves, can now look with reasonable confidence to an economic and commercial recovery which will mitigate some of the problems that have arisen. I am hopeful that in those more buoyant circumstances, we shall find in Western Europe a resurgence of dynamism and common purpose.

This is of importance to Canada which looks to Europe as a key element in the working out of our own policies and which has, in particular, recognized the European Community as a new and constructive dimension of the larger European reality.

It was therefore natural that in pursuing the Third Option we should take a fresh and innovative look at our relationship with Europe and in particular take account of the new dimension which the emergence of the European Community has added to that relationship. As you know, one of our aims under the Third Option is to achieve a better balance in our external relations, notably with respect to our external economic interests. Given that the Community is the world's largest trading entity, Canada's second most important market and second largest source of investment capital and technological know-how, it followed that a major part of our efforts to this end should focus on the Europe of the Nine. Thus we are now negotiating a contractual link in the form of an economic co-operation agreement with the Community in order to create a joint basis for close coherent and continuing co-operation with Europe.

What we are looking to is a document which will signify the political will of both sides to engage in a major co-operative endeavour and a document which will create a framework within which our governments are committed to the active encouragement of practical co-operation between our respective private sectors. Among the objectives which both sides will have in mind in implementing the agreement are the expansion and diversification of trade, the development of Canadian and European industries, the advancement of technological and scientific progress and the protection and improvement of the environment. The means which we envisage being employed to this end include increased two-way investment, joint ventures, licensing and technological and scientific exchanges.

Once the agreement is in place what we are able to achieve in the way of industrial co-operation and consequential trade expansion will depend to a very large extent on the follow-up by the private sector and the co-operation of the provinces. Our efforts to ensure such follow-up will represent

the next major stage in the programme. The role of the government will be to continue to act as a catalyst by identifying on a sector-by-sector basis with our European partners opportunities for industrial co-operation, to provide subsequent guidance as requested to the Canadian business community, to facilitate and encourage agreed co-operation and to develop appropriate supporting policies and programmes. The signing of the agreement will not, of course, make it a magic wand which will produce results overnight. Considerable long-term effort will be required in the implementation of the agreement and it could be some time before the initiatives now being launched show significant economic returns. But if they do, as we expect they will, they could have a significant impact on Canada's future economic relationship with Western Europe.

STATEMENT DISCOURS



SPEECH BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachen,
TO THE TENTH ANNUAL
CONVENTION OF THE
CANADIAN ARAB FEDERATION,
EDMONTON, MAY 16, 1976

Ladies and Gentlemen,

May I first of all express my pleasure at having been invited to address the Tenth Annual Convention of the Canadian Arab Federation, particularly as I was prevented last year by a previous engagement from fulfilling my intention of speaking at your annual meeting. I recall, Mr. President, that that convention was held in the city of Toronto of which you are the articulate representative on the governing body of your organization. I have learned with interest that this is the first time that your annual sessions are held in a Canadian western city, and I interpret this as a well-deserved homage to the more than 10,000 Canadians of Arab origin who have elected to make Edmonton their place of residence.

I also take it as confirmation of your Federation's aspiration to represent all Canadians of Arab origin; I am therefore delighted to be provided with such an appropriate forum to pay a personal tribute to the tens of thousands of my countrymen of Arab origin or descent who, in their diverse capacities and walks of life, in the academic halls, in the fields of science and technology or in the House of Commons as well as in Provincial Parliaments, have made and are making invaluable contributions to the building of Canada while adding to the rich diversity of our culture, where all our friends and visitors can find something of their homeland.

In this context, the topic you have chosen for this year's convention, that is, "Strengthening Ties between Canadian and Arab Peoples", is most appropriate, as well as being very timely. It is perhaps not sufficiently appreciated by the public that the Government of Canada is fully committed to developing and accelerating that process. Indeed, one of the primary purposes of my visit to the Middle East in January of this year was to reaffirm the ties that already exist between Canada and the Arab states in the area, and to discuss important new agreements and links which hold considerable promise for the expansion of our relations with Egypt, Saudi Arabia and Iraq, to name only three of the countries which I was privileged to visit for the first time. My visit also served to demonstrate to the Canadian public the importance the Government attaches to the strengthening of these links.

My itinerary was determined by the kind invitations of my hosts and brought me to the Arab Republic of Egypt, the Kingdom of Saudi Arabia, the Hashemite Kingdom of Jordan, the Republic of Iraq and the State of Israel. I had the privilege of meeting with Heads of State or of Government, and in addition I engaged in extensive discussions with my counterparts and with many other senior Ministers.

A visit to Lebanon was also included in my initial programme and, while planning progressed for my trip, I was following the situation in that unhappy country on a day-to-day basis. Unfortunately, it was clear by the time I left Canada that the conditions prevailing in Lebanon made it impossible to carry out a successful visit there. This was a great disappointment, particularly because it was caused by a tragic and bloody civil war which has been the source of much pain and suffering in that once peaceful and prosperous country. I am hopeful that recent events on the political level indicate a willingness to seek a settlement through negotiations rather than through violence, and that a modus vivendi, respecting the rights of all elements of Lebanese society, can be worked out that will put an end to the strife.

Despite this unavoidable gap in my programme, I consider that my first official visit to the Middle East was an important step in the process of expanding and deepening our relations with the Arab countries in that area. Tonight, I should like to share with you my impressions of the countries I visited and to outline some of the discussions I had with their leaders.

An important purpose in undertaking this tour was to reiterate to my hosts that Canada continues to be deeply concerned by the tragic Middle East conflict and that our policy in this extremely complex dispute aims at balance and objectivity, and, more importantly, rests on principle. I tried to make clear that Canada, while not a party to the dispute, does what it can to make a positive contribution to a possible peaceful solution by its peacekeeping activities in the area. I think our general acceptability as peacekeepers is an indication of the confidence in our impartiality that is placed upon us by the contending parties. I was particularly pleased by King Hussein's comment that "we feel that if there is a description that could be given to nations -- and that would be the peacemakers -- Canada obviously comes at the head of the list..."

Canada presently participates in both the UNEF¹ operation in the Sinai and in UNDOF² on the Golan Heights. We contribute about 850 personnel to the operation in the Sinai theatre and about 150 personnel to UNDOF. Our contribution is in the form of logistics support and we share this role with Poland, a Warsaw Pact country. Of special concern at the moment is the UNDOF peacekeeping operation, since its mandate is due to be renewed, with the consent of the parties concerned, at the end of this month. It is our hope and our expectation that the mandate will be renewed as scheduled since it is our firm belief that UNDOF is contributing in a most significant fashion to the stabilization of tensions in the region and therefore, to prospects for an eventual negotiated solution. It is to be pointed out that UNDOF not only serves stability in the region by the interposition of a UN presence between Syria and Israel, but that its mandate (as the mandate of UNEF) includes arrangements for the observation and inspection of the limited forces zones on each side of the area of separation.

1. United Nations Emergency Force.

During my discussions on the Middle East conflict I addressed myself specifically to the Palestinian problem which has become recognized by the world community, and this unequivocally includes Canada, as an essential element in the search for a just and lasting settlement. Throughout my trip, including in Israel, I stressed this point and confirmed my conviction that unless the legitimate interests of the Palestinians were met, a just and lasting settlement could not be achieved. It has been the Canadian Government's view for some years now that these legitimate interests include the right of the Palestinian Arabs to be heard and to participate in all discussions and negotiations affecting their future. This, I suggest, is fully consistent with the "principle of equal rights and self-determination of peoples" as enshrined in the very first article of the U.N. Canada continues to insist, however, that the internationally recognized rights in the area of other peoples and states be equally respected.

Insofar as the PLO itself is concerned, I explained to my hosts in the Middle East that Canada, which was a party neither to the conflict nor to the negotiations, did not consider it appropriate to pronounce itself on whether that organization should or should not be the sole representative of the Palestinian people. It certainly appears, however, that the PLO has emerged as the most prominent spokesman of the Palestinian people at this time. I have, of course, observed with interest the recent municipal elections on the West Bank and will follow with the closest attention the impact which their results may have on clarifying the Palestinian representation question.

While I am fully aware that the PLO has received considerable support within the international community, I find it equally noteworthy that all my Arab hosts who commented on Canada's attitude on the Palestinian representation question expressed full understanding for our position. Indeed one Arab Foreign Minister expressed to me his view which was that our stand on this matter was "a fair policy".

As you know, Canada has announced its candidacy for a seat on the United Nations Security Council for a two-year term beginning January 1, 1977. When we are elected, and there is every reason to believe we will be, we will be more deeply than ever involved in international efforts to grapple with the Middle East conflict, and our policy will come under even closer scrutiny. After my trip to the Middle East, and following my discussions with both Arab and Israeli leaders, I am convinced that our policy, which attempts to come to grips with and reflect the current realities, is able to withstand that scrutiny. While each of the two sides would, of course, welcome greater Canadian support for its own position, I am confident that each side will continue to acknowledge and respect Canada's objective and even-handed approach to the conflict. This is, of course, essential if our endeavours to make a positive contribution to a resolution of the problems are to be credible.

When discussing the Middle East conflict, there is perhaps an inevitable tendency to think in terms of two opposing sides. I cannot, however, ignore the fact that there is considerable diversity among the various Arab countries, and that despite their many similarities, there are among them important historical, cultural and economic differences. In my view it is important to keep in mind the differences, as well as the similarities, in order to arrive at a fuller appreciation of the diverse realities in the Middle East. It is only with such an appreciation that our bilateral relations with each of the countries can be developed in a truly meaningful way.

Thus, I thought it particularly important to establish a personal relationship with Arab leaders and I found this reflection reconfirmed by my visit to Cairo, the first stop on my itinerary. As the most populous of the Arab states, Egypt, which links two continents, occupies a key position in the Eastern Mediterranean; it has played in the last decades a paramount role in the politics of the Middle East and has a considerable influence in the developing world. This confluence of factors gives Egyptian statesmen a unique perspective, and I found my conversations with President Sadat and Foreign Minister Fahmy both stimulating and illuminating.

In bilateral terms, I found in Egypt general agreement that new emphasis must be given to Egypt-Canada relations in fields such as trade, investment, development and technical co-operation, as well as cultural affairs. The Egyptian economy appears on the threshold of a period of encouraging development which should provide the basis for broader economic exchanges. But Egypt remains a country with urgent needs for development assistance. I informed Foreign Minister Fahmy that, within the framework of our new international development strategy, active consideration would be given to providing Egypt with Canadian technical and financial assistance. Equally, development projects could be considered in conjunction with other bilateral or multilateral donors. Additionally, I authorized CIDA¹ to make a contribution of one million dollars to the special account of the UNDP² programme for the reconstruction of the Suez Canal region.

With respect to our bilateral economic activity, I found a receptive audience also in Jeddah, in Amman and in Baghdad and a reciprocal desire for closer relations. The leaders of these countries all expressed to me a keen interest in intensifying and expanding trade and economic co-operation with Canada, which they consider to have the expertise and capacity required to carry out projects in certain vital sectors of their development programmes; moreover, they regard Canada for a variety of other reasons to be an especially suitable partner for industrial co-operation.

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1. Canadian International Development Agency.
 2. United Nations Development Programme.

In Saudi Arabia, we signed a Memorandum of Understanding on economic co-operation, thereby establishing a Canada-Saudi Arabia Joint Economic Committee, which is expected to hold its first meeting in Ottawa early this summer. I was pleased to hear from the Saudi Arabia Foreign Minister, His Royal Highness Prince Saud, of his Government's decision to open a resident Saudi diplomatic mission in Canada in the immediate future; a further confirmation of Saudi Arabia's wish to strengthen our bilateral ties. That my visit to that country was the fifth by a Canadian minister in the past two years demonstrates clearly that we reciprocate that wish.

In Iraq, we also confirmed our mutual will to establish closer trade and economic ties. A Canadian delegation has just returned from Baghdad where it completed negotiations on two agreements -- one covering trade and one dealing with economic and technical co-operation. The latter provided for the establishment of a joint economic commission, whose first meeting is also planned to take place later this year.

In my unfortunately too brief stay in Jordan, I had the opportunity to discuss with His Majesty King Hussein and Crown Prince Hassan their country's new five-year economic plan. I was impressed by the economic progress which is taking place in the Hashemite Kingdom of Jordan. I suggested to the Jordanian authorities that, while bilateral economic exchanges with Jordan were still modest, it would be useful to have experts from our two countries meet in order to explore further opportunities for commercial and economic co-operation. This proposal was readily accepted, and in this context Canada will be officially represented at a symposium to be held on Jordan's new five-year plan in Amman at the end of May. I should say, moreover, how pleased we were to welcome the recent visit to Ottawa of Their Majesties, the King and Queen, as well as Prime Minister Rifa'i. Although the visit was brief and informal in nature, we did have an opportunity to discuss matters of interest to both Canada and Jordan and to further develop our very cordial relations.

In addition to our discussions on bilateral economic activities, I also took the opportunity in the capitals I visited to initiate a frank and continuing dialogue on the key international economic problems of mutual concern, such as energy, financial and monetary issues, matters in which the Arab countries have an increasingly important role. Moreover, I wished to review or define common areas of interest in the fields of aid and development.

In this context, I discussed multilateral trade and monetary questions and the prospects for the ongoing Conference on International Economic Co-operation. I attended one of its sessions immediately following my visit to the Middle East in my capacity as leader of the Canadian Delegation and as Co-chairman of the Conference and, given the fact that three of the countries I visited, Saudi Arabia, Iraq and Egypt, are equally members of the Conference, I found a special interest in discussing with the Ministers immediately concerned the work of this Conference in the key fields of energy, raw materials, development and finance.

Still in the international field, I made a point in my talks with my various hosts to stress Canada's belief in and support for the U.N. and its agencies, even if at times we have had serious cause to deplore in the latter for the introduction of political considerations into discussions of a technical nature as occurred at the recent Economic and Social Council of the United Nations (ECOSOC) session. In our view, such political discussions distort the aims of the U.N. and its agencies and threaten to undermine their effectiveness in carrying out the specialized tasks for which they were established.

I had not intended, Ladies and Gentlemen, to go into more detail with respect to Canada's role at the United Nations. But I must say that the remarks made by the speaker who preceeded me obligate me to clarify Canada's position at the United Nations.

Not so long ago I appeared before an audience made up of members of the Canada/Israel Committee and the speaker who introduced me complained about what he described as the ambiguity of Canada's voting record at the United Nations. And tonight I have the same complaint from the professor who preceeded me on the platform, which is probably the best proof that I could ask for that Canada is following an even-handed and objective policy on Middle East questions at the United Nations. Because we attempt to be balanced and objective, we are bound to run into criticism -- tonight from the speaker who preceeded me, two weeks ago from the Canada/Israel Committee.

Now, I am going back to the House of Commons tomorrow to resume my seat in the House, and I want to tell you that I was one of the members of the House of Commons who voted unanimously against the adoption at the United Nations of a Resolution that linked Zionism and racism. And I want to tell you that. I was the Minister of Foreign Affairs that issued the instructions to the Delegation at the United Nations that took that position, and I was the Minister that instructed the Delegation last week at the Economic and Social Council to vote against two resolutions because in my view these resolutions carried forward the same link, which is unacceptable to the Government of Canada and which is unacceptable to every member of the Canadian House of Commons. And I say to you in all sincerity, my fellow Canadians, that there is no future for mankind if we continue in these efforts, which in this case makes, in our minds, an unacceptable link between racism and Zionism.

And I regret that I have to comment upon the remarks made by the gentleman who preceeded me, but I hope that from the remarks that I have made up to the present time, you will understand that Canada does have a policy and I am delighted that I have had the opportunity to clarify some of the policy aspects which I found had not been clearly indicated in the speech made before I rose.

Speaking still about the United Nations, I want to say that in a more immediate context, I confirmed that as host of the Conference on Human Settlements to take place in Vancouver later this month, we had signed an agreement with the U.N. governing our responsibilities as host country. I expressed confidence that the Governments I visited would participate actively in both its preparation and at the Conference itself and received welcome assurances in this respect. I look forward to renewing contact on the occasion of HABITAT with a number of the Arab leaders I met during my trip.

Naturally, I drew a certain number of conclusions from the impressions and thoughts I brought home with me from the Middle East. Perhaps the most significant of these is my conviction that our long-term bilateral relations with the Arab countries can, and should, be pursued independently of the Middle East conflict, a conflict which may in the past have clouded our perception of the general willingness and the opportunities that exist to expand and strengthen our relations with that part of the world.

I amply confirmed the usefulness of the personal contacts I established with my various hosts, and deeply valued our in-depth discussions, not only on matters of bilateral interest, but also concerning their countries' positions and perceptions on regional and multilateral issues. I am delighted that my counterparts in each of the host capitals accepted my invitation to visit Canada and I look forward to the opportunity to return the gracious hospitality they so warmly extended to me and my officials.

Although I have devoted most of my remarks today to Canada's relations with the four Arab countries I visited in January, I hardly need to remind this audience that Canada's relations with the Arab world are, of course, much broader. For instance, our relationship with the Maghreb states is well established and we hold regular consultations with the three countries of that area.

Furthermore, we have had, for the past ten years at least, programmes of technical and economic co-operation with Tunisia which have become the most important among those we have established in francophone Africa. Also, to promote the full range of political, economic, and cultural relations between our two countries, the Canada/Tunisia Mixed Commission was established in 1968. This intergovernmental consultative mechanism meets once a year, alternately in Ottawa and Tunis, and held its latest annual sessions in Ottawa less than three weeks ago.

We are also co-operating closely with the Algerian Government to seek new forms of economic and industrial co-operation, and prospects for a similar programme of co-operation with the Kingdom of Morocco are good as well. One area we are investigating with these governments is the possibility of tripartite co-operation projects for the development of the natural resources of the Maghreb countries.

Our efforts to develop closer bilateral relations with the Maghreb countries are eased by the fact that we have a language in common, since French is the second language of Algeria, Tunisia and Morocco. Canada is therefore particularly well-placed to provide training programmes in the field of communications for young trainees from Tunisia and Morocco through the facilities of the CBC.

There are other examples I could mention, but perhaps these brief remarks have indicated the importance the Government of Canada attaches to our relations with the Arab world and of our intention to work towards a further expansion of these links. To facilitate this process we have opened two new embassies in the Middle East within the past two years -- one in Saudi Arabia, the other in Iraq -- and, as I mentioned, we hope soon to receive in Ottawa a resident Saudi Arabian Embassy. These important developments reflect the interests we share with the Arab world.

We have a common interest in the re-establishment of peace in the Middle East. There is also a clear complementarity of interest in expanding our political and economic relations with all of the Arab countries. This in itself fosters a broad increase in human contacts and cultural and scientific exchanges. I am convinced the opportunities exist and can be realized if we work together with imagination and goodwill. The Canadian Government has made the initial efforts. It remains for the private citizens of Canada to tap the full potential which exists for co-operation and exchanges, intellectual, cultural, commercial. Only in this way will Canada's interests in the Middle East be fully served and the measure of the Canadian people's willingness to assist in the rapid social, economic and industrial development of the Arab world be fully tested.

FOR IMMEDIATE RELEASE
MAY 18, 1976

CHECK AGAINST DELIVERY



Canada

STATEMENT BY THE SECRETARY
OF STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J.
MACEachEN, IN THE HOUSE
OF COMMONS

MAY 18, 1976

"NUCLEAR RELATIONS
WITH INDIA"

MAY 17 1976

Mr. Speaker,

I would like to inform the House today that the Government has decided that further nuclear cooperation with India is not possible. The decision has been difficult. It has challenged the Government, as indeed it has challenged all thinking Canadians, to review a number of fundamental principles.

Canada's nuclear cooperation with India began in the context of the Colombo Plan. It has as its basis, the belief that nuclear power could be vital to the equitable economic growth of a number of developing countries. The energy crisis, and the serious dislocations it has brought with it, have tended to reinforce this belief and the genuine success achieved by Indo-Canadian Cooperation in the development of nuclear power for energy, agriculture and medicine has proved the practicality of this approach.

India's detonation of a nuclear explosive device in 1974 made it evident that Canada and India have taken profoundly differing views of what should be encompassed in the peaceful application of nuclear energy by non-nuclear weapon states. Canada is one of the

earliest and most vigorous proponents of the Nuclear Non-Proliferation Treaty. A basic element of the Treaty, which guides Canadian policy in the field of nuclear exports and safeguards, is that it recognizes no technical distinction between nuclear explosives for peaceful and non-peaceful purposes.

Canada has foregone the possible benefits of developing so-called peaceful nuclear explosions on the basis that pursuant to the NPT, nuclear explosive services would be available from a nuclear weapon state at such time as need and feasibility are demonstrated. India, however, does not accept what it views as discrimination between the nuclear powers and other states and insists that all countries should be free to use all phases of nuclear technology for whatever they view as peaceful purposes.

Notwithstanding these differences, both countries agreed to explore together a negotiated termination of nuclear co-operation. These negotiations had, earlier this spring, reached a point where both sides decided that governmental decisions were required. The decision now taken by Cabinet takes into full account the issues that I raised when I spoke in the House on March 23. Canada has insisted that any cooperation in the nuclear field be fully covered by safeguards which satisfy the Canadian people that Canadian assistance will not be diverted to nuclear explosive purposes. This Canadian objective could not be achieved in these negotiations.

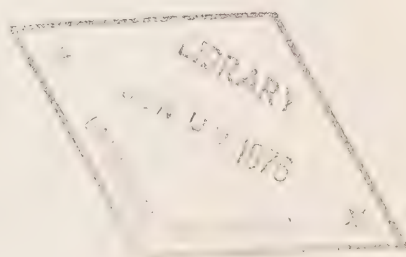
Both sides have made a concerted effort in good faith to reach a basis for agreement. However the Canadian Government has decided that it could agree to make new nuclear shipments only on an undertaking by India that Canadian supplies, whether of technology, nuclear equipment or materials, whether past or future, shall not be used for the manufacture of any nuclear explosive device. In the present case, this undertaking would require that all nuclear facilities, involving Canadian technology, in India be safeguarded. We would be prepared to reach agreement with India on this basis only. In view of earlier discussions, however, we have concluded that the Indian Government would not be prepared to accept safeguards on other than the RAPP reactors, which are already under international safeguards.

In making this statement regarding our nuclear cooperation with India, I should like also to refer briefly to the other aspects of our relationship. There is no question but that our nuclear differences are profound; nevertheless, nuclear affairs form only one part of what has been a broad and important relationship. The decisions reached by the Government relating to one aspect of our relations are not intended to preclude the pursuit of other elements of mutual interest in our overall links with India. The Canadian Government remains prepared to review these elements and to pursue our common objectives in both bilateral and multilateral fields because we believe that our ties with this important developing Commonwealth nation must not be allowed to lapse through any lack of will on our part.

STATEMENT DISCOURS



NOTES FOR A SPEECH BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
AT A LUNCH IN HIS HONOUR
BY FOREIGN MINISTER
HANS-DIETRICH GENSCHER
OF THE FEDERAL REPUBLIC
OF GERMANY, BONN,
May 24, 1976



Your Excellency, Ladies and Gentlemen,

I am delighted to be in Germany and I am equally delighted by the warm welcome and kind hospitality that have been extended to my party and myself. My only regret is that my stay in Bonn must be such a short one.

I should also like to thank my colleague, Foreign Minister Genscher, for his kind words about Canada and assure him that I fully reciprocate his sentiments. It is easy for a Canadian to feel at home in Germany, and I think the reverse must also be true to judge by the hundreds of thousands of Germans who have come to Canada and, with their energy and traditions, have made such a significant contribution to the Canadian way of life. As the fourth largest ethnic group in Canada, Germans have done much to broaden and enrich our society.

Because Germany and Canada have the good fortune of being linked by many strands of mutual interest, cultural affinity and ethnic association, it is natural and easy for us to engage in regular consultations at the senior levels of government, as was foreseen in the exchange of letters in 1973 between our respective governments. Thus, I have had the pleasure of meeting you, sir, on a number of previous occasions in other European capitals to discuss matters of common concern.

Against this background I am particularly pleased at this moment to pay my first official visit, in my capacity as Foreign Minister, to the Federal Republic of Germany, because I am convinced that our two countries, as partners in some of the most important international enterprises of our times will be co-operating more and more closely together.

First of all, we are NATO allies and partners in maintaining and developing a healthy trans-Atlantic relationship. As a North American country, Canada has closer ties with the United States than with any other country, but we are also very much alive to the interdependence of North American and European security and prosperity and to the importance of its trans-Atlantic ties for Canada's own role in the world. It is for this fundamental reason that the Canadian Government has for some time been pursuing a policy of diversification of our international relationships, not with a view to diminishing our relations with the United States but rather to complementing them with more substantial relations elsewhere. In particular, Canada has been making a concerted effort to broaden and deepen its relations with Europe. Moreover, we believe it is in the interest of Europe to have more than one active partner in North America.

It is not, of course, open to Canada to participate directly in the great historic enterprise of building a united Europe. We are, though, watching Europe's efforts with deep interest and sympathy. We wish you well and we are confident that Europe will demonstrate its ability to

overcome its difficulties for the common good. It is in that conviction that we are pursuing our objective of establishing a contractual link with the European Community. The negotiation of a framework agreement is making good progress, and we are grateful for the consistent and helpful support we have received from the Federal Republic of Germany.

But Canada does not see its future relations with Europe exclusively in terms of the Canada/Community link. We intend to continue developing our bilateral relations with the member countries of the community in a parallel and mutually reinforcing way. In this context, Canada attaches a high priority to its relations with the Federal Republic of Germany. This relationship is marked by programmes of co-operation developed under inter-governmental agreements in areas such as cultural relations, and science and technology. It is also reflected in significant and growing trade, investment and industrial co-operation as well as increasingly close co-operation in the defence field.

The presence of Canadian land and air forces stationed in the Federal Republic of Germany, whom I will be visiting tomorrow, and of German land forces training in Canada, contributes both to the common defence and to our bilateral understanding. Several months ago, the Canadian Government decided, after a thorough review of the Canadian defence programme, to maintain the numerical strength of our forces in this country and to improve their operational capability. As you know, sir, we are now in discussion with the Federal German authorities about the acquisition of a new main battle tank for these forces.

Canada and the Federal Republic of Germany are partners not only in Western defence but also in the East/West dialogue, where we aim to draw the Soviet Union and the countries of Eastern Europe into a more civilized, open and constructive relationship with the West. Indeed, we are both deeply convinced that defence and détente must go hand in hand; that either without the other, whatever the labels used to describe them, would sooner or later spell disaster.

We are aware that this conviction is of particular importance to the Federal Republic, with its special ties with Berlin which has been aptly described as "the touchstone of détente". But none of us can afford to take either defence or détente for granted; they require constant attention, a clear and realistic definition of our objectives, and a steady and consistent effort to achieve them over the long haul. I am glad to note that this approach was endorsed by the recent NATO meeting in Oslo.

It is premature at this point to make a final judgement about the results of détente, which should be regarded as an evolutionary process. On the other hand, it is not too soon to be clear in our own mind about the objectives of détente

and to insist on a more satisfactory and at the same time mutually acceptable understanding of what those objectives are. We must also maintain sufficient strength and cohesion to achieve them. In this regard, I believe the positions of Canada and the Federal Republic are practically identical and this has facilitated our very close co-operation in the Conference on Security and Co-operation in Europe and Mutual and Balanced Force Reduction talks. Helsinki was not the end of the détente process. Its significance lies in the fact that all governments concerned made solemn declarations of intent and provided benchmarks against which to measure progress. This progress will now be measured by the practical implementation of the Final Act and the extent to which the Vienna talks actually bring a reduction in the still mounting level of forces.

The third common enterprise in which our two countries participate is the search for a more secure, stable and equitable world order. Canada and the Federal Republic of Germany are partners in the United Nations and expect soon to be fellow members of the Security Council, where we look forward to close and constructive collaboration of the many important and thorny issues coming before that body.

We are also partners in the North/South dialogue in such forums as the C.I.E.C. (Conference on International Economic Co-operation) and U.N.C.T.A.D. (United Nations Conference on Trade and Development). I trust that you agree, sir, that we cannot afford to let the Conference on International Economic Co-operation fail; that we must come to grips within a reasonable time with practical solutions which take into account the changing nature of the international economic community.

We are tackling common tasks in multilateral economic bodies, such as the I.M.F. (International Monetary Fund), the G.A.T.T. (General Agreement on Tariffs and Trade), the O.E.C.D. (Organization for Economic Co-operation and Development) and the I.E.A. (International Energy Agency). In the multilateral trade negotiations we both seek significant reductions in the barriers to international trade. We also have common interests in co-operation in the I.A.E.A. and elsewhere to ensure that the benefits of nuclear technology may be enjoyed widely while curbing the spread of nuclear weapons. In other fields, such as the United Nations Conference on the Law of the Sea, your interests and ours diverge but we are prepared to discuss our differences frankly and negotiate practical solutions in a co-operative spirit.

It is clear that there is a tremendous potential for expanding our co-operation, both bilaterally and multilaterally. There is much more we could do together. We, in Canada, have been impressed with the increasingly influential role which the Federal Republic has been playing in Europe, in NATO and in the world. We look forward to working even more closely with you in the pursuit of our common goals.

STATEMENT DISCOURS



SPEECH GIVEN BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J.
MACÉACHEN, AT A DINNER
GIVEN BY THE AUSTRIAN
FOREIGN MINISTER,
DR. ERICH BIELKA-KARLTREU,

VIENNA

MAY 25, 1976

Mr. Federal Minister for Foreign Affairs and other distinguished guests,

In responding to the kind and friendly words of His Excellency, Dr. Bielka, I should like to express my gratitude for the warm welcome and gracious hospitality for which Vienna is so justly renowned, which I have received since my arrival. This is not my first visit to Vienna, but it is the first visit of a Canadian Secretary of State for External Affairs to Austria. My country and yours, Sir, have much in common, more perhaps than may be readily apparent. Much of Canada's cultural and ethnic heritage finds its roots in Europe, and Austria has long been a well-spring of western civilization. Our two countries share many fundamental attitudes. Both are deeply committed to Parliamentary democracy, equality before the law, social justice and human freedom. Our constitutions are federal, reflecting the diversity which is the essence of federalism, and both of our societies comprise mosaics reflecting the breadth and variety of our ethnic backgrounds.

In foreign affairs, our policies present striking parallels, and where they differ, they tend often to be complementary rather than contradictory. I know, for example, that Austria is keenly interested in a vigorous transatlantic relationship between North America and continental Europe as a whole, which you refer to as "the Atlantic Dialogue". For our part, we attach great importance to our transatlantic ties with Europe. The Canadian government has for some time been pursuing a policy which we call "the Third Option" -- a policy of diversification of our political relations. In the context of this policy, we place a very high priority on our relations with Europe.

Like Austria, Canada does not participate directly in the economic and political integration of the European community, although we are now negotiating an agreement on economic co-operation with it. Like Austria, Canada does not see its future relations with Europe exclusively in terms of a link with the European community. Rather, it is our intention to develop and deepen our bilateral relations with the countries of Western Europe, inside and outside the community, and with Eastern as well as Western Europe -- a policy pursued with marked success by Austria.

Of course, my country is a member of NATO, while Austria is committed to permanent neutrality. But I was struck, in our discussions this afternoon, by the extent to which your active policy of neutrality is so positive and dynamic. The importance which ~~your government attaches to the United Nations family of organizations~~ and to multilateral diplomacy is shared by my government. An important United Nations conference on human settlements is soon to begin in Canada in Vancouver. Austria has hosted many important United Nations conferences. Canada is the host country to ICAO (International Civil Aviation Organization). Austria's role, as host country to the IAEA (International Atomic Energy Agency) and the UNIDO (United Nations Industrial Development Organization) and important United Nations conferences, is symbolized by "United Nations City" on the banks of the Danube.

I am aware of the myriad occasions in the context of the United Nations and its specialized agencies when Canada and Austria find themselves making common cause in the search for a more secure, stable and just world order. This is applicable as much to the UNCTAD (United Nations Conference on Trade and Development) meetings in Nairobi as to disarmament, non-proliferation, arms control and outer space conferences at which our two delegations have worked so closely together. I refer also to our collaboration in the CSCE (Conference on Security and Co-operation in Europe) negotiations in Helsinki and Geneva, which led to the Helsinki declaration, a document regarded by many as laying down the basis for a political détente between East and West. We are indebted to Austria for hosting the negotiations directed towards mutual and balanced force reductions between East and West. While Austria's contributions to these wide and varied activities may be understandable in terms of securing Austria's status of permanent neutrality, they have benefits for the international community as a whole, going beyond even this important Austrian national objective.

Our two nations have both renounced a nuclear weapons option by becoming parties to the Non-Proliferation Treaty. It is, I think, indicative that neither Canada's membership in a major collective security alliance nor Austria's status of permanent neutrality has prevented us from participating together in United Nations peacekeeping missions. Both of us benefit only in the sense that every member of the international community shares the interest of all in preventing breaches of the peace. No better example can be found of our common desire to contribute to a peaceful world. I cannot fail to mention, in this context, Dr. Kurt Waldheim, the distinguished Secretary-General of the United Nations. It is fitting for me to pay tribute to him in the capital which remembers him for the many contributions he had made in the conduct of Austria's foreign policy, not the least of which was his role as Ambassador to Canada.

It is the most natural thing in the world that two such countries as ours should have found a great potential for ongoing co-operation and collaboration in such crucial multilateral undertakings of our time as the North-South Dialogue in all its forms, in the law-making, peacekeeping, arms control and disarmament activities in the United Nations family of organizations and in a wide range of other significant organizations and conferences. Even with respect to international activities not directly related to governmental positions or foreign policy issues, it is interesting to note that Innsbruck has just hosted the 1976 Winter Olympics, while Montreal will soon be hosting the 1976 Summer Olympics. I have no doubt that in the purely bilateral field, as well as in the multilateral field, there exists a potential for a fuller and even more intensive co-operation than that already realised, and I look forward to the achievement of those objectives.

STATEMENT DISCOURS



SPEECH BY THE SECRETARY
OF STATE FOR EXTERNAL AFFAIRS
THE HONOURABLE ALLAN J.
MACEachEN, AT THE
UNITED NATIONS CONFERENCE
ON HUMAN SETTLEMENTS
(HABITAT)
VANCOUVER,
JUNE 1, 1976

Mr. President:

HABITAT will thread a new design in the fabric of the global aspirations of the community of man. Conferences, such as ours, dealing with socio-economic problems of concern to the whole of humanity are a new phenomenon in international life. They reflect the quest for greater equality and justice among nations and individuals made more pressing than ever by decolonization, the assertion of human rights, and the spread of modern technology and communication.

HABITAT has its origin in a proposal advanced by Canada at the Conference on the Human Environment held in Stockholm in 1972. The quality of the environment, we were convinced, had to be matched by the quality of human life. Since then, the international community has endeavoured to come to grips with other basic aspects of the human condition on our earth. Those aspects that have the most direct bearing on the problems of human settlements were population, which was discussed at Bucharest in 1973; food, at Rome in 1974; and development, raw materials and economic cooperation, notably at the Sixth and Seventh Special Sessions of the General Assembly in New York. Out of this cumulative confrontation and harmonization of widely diverging national experiences and aspirations is slowly but unmistakably emerging a body of concepts and values which find a growing universal resonance.

HABITAT, our Conference dedicated to human settlements, will be expected, as Barbara Ward has said, to address the most vital and urgent needs of the millions of human beings who are living - and dying - in conditions that can only be described as inhuman. It will aim at mobilizing the necessary spirit of cooperation and political will, and at establishing innovative forms of sharing knowledge, experience, and essential ways and means towards more effective national and international action.

Canada wholeheartedly endorses the fundamental recommendation before the conference that national governments should establish a human settlement policy as an essential component of an overall national strategy of socio-economic development. This proposition, it seems to us, is valid regardless of the political ideology and of development of the country concerned.

In the past, improvements in living conditions have been seen as a consequence of development, as a benefit to be derived from advances in the more productive elements of the economy. I believe that this conference will recognize and proclaim that the creation of adequate living conditions and building of better settlements are the basic foundation of any real and meaningful development. To produce more, our farmers, our miners, our industrial workers and our office workers must have decent shelter, food, health services, education and the other elements which maintain and improve the human condition and happiness.

In developing a human settlement policy, Canada must take into account a number of factors and circumstances peculiar to our own situation:

- (a) First, unlike most of the participants at the Conference which are unitary states, Canada is a federation. Our several levels of government - federal, provincial, territorial and municipal - all have significant responsibilities for human settlements. Coherent and effective human settlement policies in Canada can only be achieved through intergovernmental cooperation. The HABITAT Conference will no doubt further encourage national debate and intergovernmental consultation in the field of human settlement and stimulate in particular the further development of national, provincial and metropolitan land use policies.
- (b) Secondly, we believe that settlement policies and strategies should focus on the problems of growth and decline, that is to say, on the improvement of the quality of life in larger human settlements and the maintenance of a vital community life in smaller towns and villages and in rural settlements. In Canada, as in many other countries, we are faced with an increasing concentration of population growth in a few large cities and metropolitan areas, such as Edmonton, Calgary, Toronto, and Vancouver. The frequent result of rapid growth has been sprawl, loss of the best farmland, and - too often - sub-standard living conditions. Concurrently, many of our smaller towns and rural areas have remained static or have declined, losing many of their most productive people to the big cities. This has been the case in many other parts of our country.
- (c) Thirdly, while the major portion of our population growth is the result of natural increase, immigration plays a critical role in shaping the growth of Canadian human settlements. With the sharp decline in our birthrate, immigration is becoming even more important.
- (d) Fourthly, one of the objectives of human settlement policies in Canada must be to overcome the major differences in the economic conditions and the quality of life enjoyed by Canadians in different parts of the country. Our human settlements must be able to offer to our citizens in various parts of the country comparable, if not equivalent, employment, housing, education, health and other basic facilities.

- (e) Fifthly, resource conservation will be one of the key factors shaping future Canadian human settlements. We are terribly concerned with the urban despoilation of some of Canada's best farmland. This resource is irreplaceable and requires a more responsible stewardship, and we are determined to rehabilitate our existing built environment. Canadians have learned that the costs of indiscriminate demolition and redevelopment are too heavy both in economic and in human terms.

We are also beginning to recognize how better settlement design can effect major reductions in our rate of energy consumption. Energy conservation in human settlements will have to play the major role in achieving my government's target of reducing the annual growth in Canada's energy consumption from its current 5.5% to 3.5% by 1985. We will have to achieve better insulation standards; put more reliance on renewable forms of energy; perhaps adopt more compact forms of urban settlement, and thus reduce our dependence on the automobile for city transportation; and encourage innovation in housing construction. As evidence of our preoccupation with this question, Canada will, in October 1977, host a seminar under the auspices of the United Nations Economic Commission for Europe which will deal specifically with the question of energy conservation and the planning and development of human settlements.

- (f) The Canadian government wishes, in the context of HABITAT, to underline the special needs, aspirations and rights of our indigenous population. Many aspects of the distinctive cultures and life styles of Canada's native peoples, such as a strong attachment to the land and its resources, the sharing of community wealth, and a strong sense of community life are particularly relevant to the concerns of HABITAT. Canada has provided support to allow its native groups to develop political strength and to articulate their grievances and their aspirations. Our respect for the traditions, culture, and special needs of Canada's native people does not imply any restrictions in the freedom of individuals to participate fully in Canadian society.
- (g) Finally, we believe that it is highly desirable, indeed essential, to involve the business community, citizen groups and the public at large in the planning and implementation of human settlement policies. The ultimate test of whether our human settlements are good is whether they are congenial to those who live in them.

Out of the process of intergovernmental cooperation and public involvement, there is emerging in Canada the recognition that future settlement policies must emphasize the reduction of waste and the importance of conservation: conservation of energy, of prime agricultural land, and of the natural and the built environment. To illustrate this point, I should like, before commenting on the international aspects of our Conference, to show a capsule version of one of our audio-visual presentations that is particularly concerned with new and more environmentally appropriate designs for Canadian human settlements.

Canada will examine sympathetically and constructively the various programmes for international action which will be provisionally endorsed for further consideration and definition within the United Nations system.

At this time I would wish only to mention four aspects of international cooperation in the field of human settlements to which Canada attaches particular importance:

First, we will be prepared to respond favourably, through our bilateral aid and cooperation programmes, to proposals for assistance in the field of human settlements from our partners in these programmes. In addition, we shall use our influence within the multilateral development agencies to encourage a similarly positive response from them. We think that existing bilateral and multilateral financing institutions should be ready and willing to participate in expanded human settlement programmes.

Second, we see particular merit in the proposal to establish regional training centres for those who must plan and manage settlements. For some years now, Canada has supported the Asian Institute of Technology in Bangkok and its Faculty for Human Settlements. We consider that this programme deserves continuing support and, indeed, that it might become a model for similar programmes in other regions.

And third, Mr. President, we are also particularly interested in the proposal to establish an international information programme to continue and to further develop the exchange of ideas and experience which will take place here at HABITAT. We think it important that the Conference recommend the creation of a United Nations Audio-Visual Library on human settlements and consider it a matter of some urgency that interim arrangements be made for the preservation and use of the valuable material prepared for HABITAT.

Fourth, we anticipate that the Conference will have before it a proposal that all nations adopt as a minimum target the provision of potable water in every definable community by 1986. Canada will lend strong support in principle to such a target and to practical programmes to achieve it.

Finally, Mr. President, this conference has a mandate to make recommendations to the General Assembly on the institutional arrangements within the United Nations system which will enable the organization to participate fully, and indeed to take the lead, in extending international cooperation to the field of human settlements.

Discussions in the preparatory meetings for HABITAT have indicated wide agreement that the existing Secretariat structures require organization, through consolidation of the existing posts and resources into a single organization, one which would consist of a small, centrally-located headquarters and a number of regional units. This consolidation and redeployment of the Secretariat's resources would occur in parallel with the establishment of a central intergovernmental body and the establishment of Committees on Human Settlements in each of the Regional Economic Commissions of the United Nations.

Canada supports, in general, the proposals to this end that are reflected in Conference documents. We expect the conference to make a clear recommendation on this issue, and shall be offering more detailed comments and suggestions at the appropriate time.

In closing, I should like, Mr. President, once again to welcome all delegates in the name of the Government of Canada, which is honoured and pleased to be your host, and to promise you our full cooperation in making HABITAT a memorable success.

STATEMENT DISCOURS



STATEMENT IN THE
HOUSE OF COMMONS
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
ON THE EXTENSION OF
CANADIAN FISHERIES
JURISDICTION

JUNE 4, 1976

I stated in the House on May 18 that information concerning the position which Canada will take at the forthcoming ICNAF (International Commission for the Northwest Atlantic Fisheries) meeting would be conveyed to the House. Our position at the ICNAF meeting cannot be discussed separately from our position on extended Canadian fisheries jurisdiction to 200 miles.

I wish to make a statement on both these issues, and to announce today the Government's decision to extend the fisheries jurisdiction of Canada out to 200 miles from the coast. Implementation of this decision under existing Canadian legislation will come later this year, and in any event will be in place by January 1, 1977. The state of our fishery resource and the situation of our fishermen, of our fishing industry, and of our coastal communities, make this action imperative. There will be no fishery resource left to protect if action is not taken now -- because the fish stocks will be so depleted as to disappear as a resource of commercial significance. Not only the fish but our Canadian fishermen too are an "endangered species", as I have heard them describe themselves.

The protection of Canadian interests is of concern to us as a result of the extension of U.S. fisheries jurisdiction in March 1977. Mexico, our other neighbour on the North American continent, has felt compelled to act and has recently adopted legislation to bring about an extension of jurisdiction to 200 miles.

The Government last year instructed Canadian officials to conduct bilateral negotiations with major fishing states operating off the Canadian coast regarding the terms and conditions that Canada will apply when permitting foreign fisheries in respect of any resources surplus to Canadian harvesting capacity within Canada's 200-mile zone. Agreements have been signed with Norway, Poland and the USSR, as well as ad referendum agreements with Spain and Portugal, in addition to the agreement with France entered into in 1972. These various agreements, when they are all in place, will cover major foreign fisheries off Canada's Pacific coast and more than 88 percent of the foreign catch in that part of the ICNAF Convention area to be incorporated within Canada's 200-mile zone. They will provide for a smooth transition to the new regime of extended Canadian fisheries jurisdiction.

There will be a continuing need, following extensions of fisheries jurisdiction by coastal states, for multilateral fisheries cooperation. New multilateral arrangements will be needed to bring the International Commission for the Northwest Atlantic Fisheries and other fisheries conventions, into line with the new jurisdictional realities.

The instructions to the Canadian Delegation to the ICNAF meeting in June have been formulated on the basis of Canada's decision to extend its fisheries jurisdiction by January 1, 1977. The Delegation has been instructed to make clearly known to other delegations Canada's intentions regarding extension of jurisdiction and possible future multilateral arrangements for the Northwest Atlantic.

We will also give notice to other nations fishing off our coast that conservation and management measures for 1977 will be established by Canada to provide for effective protection and rebuilding of the stocks and must ensure, within such conservation limits, that the needs of Canadian fishermen are satisfied. At the same time, we are prepared to commit ourselves, as we already have in the bilateral agreements, to allow other nations to fish in Canada's 200-mile zone for stocks surplus to Canada's harvesting capacity, and to carry out appropriate consultations with such countries in the development of regulations within the zone. We are prepared to cooperate with other nations in this way, but in return we expect their cooperation in achieving our objectives.

I wish to emphasize that the Government will in no way abandon its deep commitment to reaching multilateral solutions to the problems of the Law of the Sea in general and fisheries in particular. We will continue to work within the U.N. Conference on Law of the Sea to reach agreement not only on fisheries but also on the other vital and difficult issues facing the Conference, issues such as the establishment of an International Authority for the management of the resources of the deep seabed and ocean floor which constitute the "common heritage of mankind"; the preservation and protection of the marine environment, including the Arctic; and the breadth of the territorial sea and the related question of passage through straits used for international navigation. These issues must find an early multilateral solution.

We knew from the outset that the Spring session of the Law of the Sea Conference in New York could not achieve final agreement on a new Convention. At least one more session will be necessary for this purpose, and the Conference will convene again in New York from August 2 to September 17. We hope it will succeed but must anticipate that even then there would still be formalities to be concluded.

I said at the United Nations General Assembly last fall, then at the Law of the Sea Conference in New York, and most recently in the House of Commons, that 1976 must be the year of decision for the Conference. I wish to make clear here and now that 1976 is also the year of decision for Canada's extension of fisheries jurisdiction out to 200 miles.

The decision I am announcing today to extend Canada's fisheries jurisdiction does not constitute unilateral action that either leaves no room for negotiation or ignores the interests of other countries directly concerned. It is action for which we have carefully prepared the way through both bilateral and regional negotiations within ICNAF, and within the multilateral framework of the Law of the Sea Conference. It is action based on a growing consensus among nations, a consensus which is increasingly finding its way into state practice and is reflected in the provisions of the Single Negotiating Text that emerged from last year's session of the Law of the Sea Conference in Geneva and has been confirmed in this year's revised text. It is action that is based on Canada's obligation as a good steward or custodian to protect and preserve a perishable resource which is increasingly threatened with depletion while growing in importance as a source of food for the world at large. It is action that will ensure the fishery resources off the Canadian coast can be managed wisely for the benefit of Canadians, and indeed of the entire world.

In conclusion, Canada is better prepared than perhaps any other country for extension of fisheries jurisdiction. Since amendment of the Territorial Sea and Fishing Zone Act in 1970, we already have the necessary enabling legislation for establishment of the 200-mile limit and, after giving statutory notice, need only promulgate an Order in Council. That Order in Council will be promulgated at an appropriate time this year, so as to have the 200-mile limit in place for January 1, 1977. We have done the necessary technical preparation. We have already concluded much of the necessary negotiation with the major distant-water fishing states concerned. And, above all, we have the expertise and determination to carry through and implement our extended jurisdiction in an effective way -- without rancour, without confrontation, and without prejudicing the hope we share with the world that a multilateral solution to fisheries problems can ultimately be found, even while states take the national measures of protection that are so urgently needed.

STATEMENT DISCOURS



NOTES FOR AN ADDRESS BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J.
MACEachEN, TO THE
JOINT MEETING OF THE
ROYAL SOCIETY OF CANADA
AND THE AMERICAN ACADEMY
OF ARTS AND SCIENCES,
LAVAL UNIVERSITY,
QUEBEC, QUEBEC.

JUNE 8, 1976

"CANADA AND THE UNITED STATES
A DYNAMIC RELATIONSHIP"

I am delighted to be with you this evening, and to have the opportunity to address such a distinguished assembly of scholars. As one whose principal responsibility is Canada's foreign policy, I am particularly pleased to have the occasion to address in one place, members of both the Royal Society of Canada and the American Academy of Arts and Sciences.

The academic community has traditionally emphasized the importance of reaching valid conclusions based on rigorous analyses, and which are capable of withstanding thorough cross-examination. I am happy, therefore, to see that aspects of the Canadian and American experiences are being examined here in that tradition. I have always felt that an assumed familiarity with the realities of the Canada/United States situation, which comes all too easily in two countries as close as ours, carries with it the danger that deductions about Canadian/American affairs might be less stringently tested than would otherwise be the case. This symposium strikes me as making a valuable contribution to a disciplined and constructive analysis of certain experiences that the United States and Canada passed through in their growth to nationhood. I expect that such an analysis will provide a useful insight into the relations between our two countries. In that spirit, then, I should this evening like to offer some observations on Canada/United States relations for your consideration.

Before doing that, however, I am reminded that it was 200 years ago yesterday that the Continental Congress, then convened in Philadelphia, passed a resolution calling for independence from England; Thomas Jefferson, we recall, was asked to draft a declaration which would articulate, and give justification for, the decision on independence. This marked the beginning of an adventure and an experiment in nationhood without rival in modern times. In separate Bicentennial celebrations across their nation, Americans are recalling and, more importantly, are reaffirming the founding principles and spiritual heritage which gave their nation its impetus and have helped sustain its strength. Canadians, who nine years ago celebrated their first centennial and reflected on its meaning, have joined with Americans in Bicentennial observances both large and small to pay tribute to their neighbour's accomplishments and to express their confidence in their neighbour's future. And, I should like to add my own personal good wishes to our American friends who are with us this evening.

The American Bicentennial reminds us how different have been our avenues of development. From its beginnings Canada has had to adapt to or contend with the profound influence of the United States. Nevertheless, in ways both apparent and subtle, Canada remains in many respects a nation quite different from the United States, and will continue to evolve nationally along distinct lines. For Canadians, their distinct national identity remains a fundamental concern.

I have stated many times that a basic objective of Canadian foreign policy is to reduce our existing vulnerability while at the same time continuing to develop a dynamic, creative and mutually beneficial relationship with our southern neighbour. Tonight I will be focussing on this latter aspect of our policy.

A starting point is to note that the relationship is not one of equals, and the fact that a lesser power and the world's strongest power can successfully share a continent is high tribute to the conception and the conduct of our bilateral relations.

Our relations can never survive inattention, however, and the generally sound state of Canada/United States relations is not the result of accident or of a preconditioned conformity of views. On the contrary, the successful interaction of two democratic and federal states, each with its own national interests and domestic constraints, is highly complex because of the open system that each country has for reconciling various domestic interests. The question of balancing the national versus the particular interest is always a challenge for federal governments. When I think of the enormous variety and multiplicity of what has been called the warp and woof of Canada/United States relations, I think also of the need for our two democratic governments to deal with the many domestic demands upon them and the effect this may have on the conduct of our bilateral relations. The overall importance of our bilateral relations warrants the constructive and intense effort that is required to strike a reasonable balance between external and internal policy considerations.

The relative affluence of our two nations also carries with it certain responsibilities. In a world community where the contradiction between disparities of wealth and the growing interdependence among national economies persists, our respective policy initiatives and responses must take into account our international obligations in the global sense. Of course, both Canada and the United States have a natural desire to chart and control their own course. But we both must strike a balance between national consciousness and international responsibility, between self-reliance and the necessity of interdependence. In so doing -- both as neighbours and as members of the international community -- we will have confronted fundamental issues affecting world security and prosperity. Our expanding involvement in the multilateral sphere has become an increasingly significant element of the overall relationship.

Given the importance of our bilateral relationship, and the importance of our respective roles in seeking solutions to global problems, Canada/United States amity is not only a desirable condition, it is an essential precondition for meeting the challenges of the future. We in Canada are certainly not about to underestimate the value of the genuine goodwill between our two peoples. And, I should have thought, our estimate of the value of this friendship is fully shared by our neighbour.

Some Perspectives on the Evolving Relationship

Some observers, when looking at the aggregate of subjects under discussion between our two countries, conclude that the relationship is, to use their word, "deteriorating". The last time I suggested that such a pessimistic conclusion was invalid, one editor attributed that opinion to my innate affable nature rather than to any perspicacious judgment of the situation on my part. I would concede that if enough people say to themselves, or accept as fact from others, that the relationship is deteriorating, then the description of the relationship will gain a life of its own and become part of the fabric of the relationship. But, as you will have gathered from what I have already said, I do not agree with pessimistic assessments of the relationship and I might add that I have discussed this very point with Secretary Kissinger who shares my view.

There are, of course, some highly visible contentious issues between our two countries with which we are all familiar. The problems are real, and no one in either government is underestimating them. But the current problems, taken separately or collectively, need not be disruptive to the foundations of the relationship. It is how we deal with them that counts. Two bordering, distinct and active nations, interacting on a wide range of complex issues, are unlikely to avoid problem areas. Indeed, problems have always been a part of Canada/United States relations. But together we have posted an excellent record for problem-solving, and our approach to dealing with the problems at hand is improving.

The Relevance of Change to the Relationship

The quickened pace of change within both countries as well as globally is making relations between our two countries more active and complex. With increasing frequency, aspects of both bilateral and multilateral issues are engaging the national interest of each country as both adjust to new domestic and international imperatives.

With the growth in the variety and number of subjects at play at any given time in current Canadian/United States relations, it is not hard to see that the dynamics of the relationship are changing. But normal differences, when they arise, should not be reason to call into question the fundamental attitudes governing the relationship. The range of our differences has, in this century, always been limited, and indeed they have always been few in number when compared to the multiplicity of day-to-day, non-contentious dealings which make up the bulk of our relations and give them their character.

As Canada and the United States found themselves in new national and international circumstances in the 1970's, both governments saw matter-of-factly that a quantitative increase in our bilateral issues was predictable. The challenge for both governments therefore -- and I have no doubt the challenge can be met -- is to take realistic and responsible steps to safeguard our respective legitimate interests, and to accomplish this without discriminating against each other's interests.

One result of the changes affecting our relations is that whereas in the past Canadians were particularly conscious of the impact which United States decisions could have on Canada, there is today a higher profile to Canadian actions and attitudes in the United States as important sectors of opinion grow more sensitized to the degree to which Canadian activities can, and do, affect United States interests. The result has been that the relationship has come under closer public scrutiny than in the past, by Americans now as well as by Canadians.

In this context, I think it is important to underline that our two countries, however they apply themselves, will not be able to reach some kind of bilateral millennium. There is a continuity to Canada/United States relations, and as I have tried to point out, the recent increase in our bilateral activity is more than a short-lived anomaly. Changes from within each country and from without, often not of our making, will continue to affect us both, sometimes creating new problems and at other times new opportunities.

Energy: An Example of Change

The area of energy is an example of how changed circumstances can create both problems and opportunities.

In the fifties and sixties as Canada's oil and gas industry developed, these resources were exported in increasing volumes to United States markets -- to the extent permitted by American quotas -- while significant imports of American coal supplied -- and continues to supply -- much of Ontario's industrial and energy needs. These were years of increasing prosperity in industrialized countries, accompanied by complacency about secure and seemingly inexhaustible supplies of low cost oil and gas.

By 1972, however, easy confidence about the extent of Canadian energy resources had given way to increasing concern. The Arab oil embargo in the next year, with its large price hikes and shortages, accelerated a reassessment of Canada's energy export trade and led to a regime which more systematically addresses two basic questions. The first is, are the resources being exported truly surplus to reasonably foreseeable Canadian needs? Then, are they being sold at a fair price in relation to alternative fuels and in relation to the capital needs for ensuring adequate exploration and development to meet future energy requirements?

The decisions on export levels, particularly of crude oil, and the decisions on export prices flowing from these criteria, have created difficulties for Americans accustomed to importing Canadian energy. Nobody likes to pay more for such essential products, especially when availability at any price is also a potential problem. However, higher prices and concern about energy supplies have become a feature of the international energy market to which Canadians too are having to adjust.

Despite the Canadian Government's attempts to mitigate, through staging, the problems of adjustment, substantial price increases will continue as both our domestic and export oil and gas prices move towards the international levels now being paid for the nearly one million barrels of OPEC (Organization of Petroleum Exporting Countries) oil imported daily into Eastern Canada. As we must pay international prices for our substantial imports of oil, it is imperative that we obtain international prices for our exports -- in fact, we are now a net importer of oil. These are facts of energy life with which Canadians, and American users of Canadian resources, must live. Phased price increases and staged reductions in exports aside, in the short term the basic problems of increasing shortages and high cost of replacements face both our nations and our policies designed to meet the needs of our peoples are, in the circumstances, essentially the same.

Increasingly, Americans have understood the basis for Canada's decisions, and they have appreciated the Canadian Government's efforts, through bilateral co-operation and consultation, to avoid sharp impacts on American consumers. Although they may not unanimously accept Canada's efforts to ensure a just and reasonable return for its exports of non-renewable energy resources, Americans understand our rationale. Each government approaches the energy relationship pragmatically, ready to examine particular projects on a case-by-case basis and to work together where there is advantage for each side. As an example of this approach, I might mention the Transit Pipeline Agreement, currently being considered, which would provide a regime of protection for present and future oil and gas pipelines crossing both countries.

In order to see the Canada-United States energy relationship in its proper perspective, however, one must look beyond bilateral questions. From the very outset of the awakening of the new international energy consciousness three years ago, Canada and the United States have worked closely and effectively together. In an initial period this co-operation was characterized by intensive activity by the United States, Canada and our industrialized partners at the Washington Energy Conference, the Energy Co-ordinating Group and its successor the International Energy Programme. Flowing from this industrialized co-ordination was a multilateral standby programme, in which Canada and the United States both participate, to share oil should a future emergency supply shortage arise. The institutional framework established for industrialized co-operation was the International Energy Agency (IEA) of which, since its foundation, a Canadian has served as Vice-Chairman of the Governing Board. In the IEA, Canadian and American representatives have made important contributions to the establishment of a framework for international co-operative activities in energy research and development, for example, in the nuclear and coal sectors.

We have also worked together in extending energy co-operation beyond industrialized countries to include the oil producing and developing countries. As you will be aware, for the past six months, the Conference on International Economic Co-operation, or North-South Conference, has been meeting in Paris to discuss energy and other vital world economic questions. I have the honour to share the chairmanship of this Conference with a distinguished Venezuelan Minister, and also receive valuable support in my responsibilities from the United States Co-Chairman of the Conference's Energy Commission, of which Canada is a member.

The point I am making is that whatever our respective national positions may be on particular bilateral issues, there is a basic similarity of Canadian and American approaches and interests in longer term energy matters, which finds effective expression in this close international co-operation.

Conduct of the Relationship

How, then, do we deal with new issues in the context of change? It is obviously in both our interests to solve problems, and to prevent the more intractable problems from assuming unwieldy proportions. This means the constructive and perceptive management of the relationship.

The key element is the degree of consistent and rational discipline which both governments are able to exercise when translating the many competing domestic pressures upon them into policy decisions affecting the other country's interests. I should simply reaffirm the obvious -- that individual decisions taken by each government must be examined for their relevance to the overall Canada-United States relationship if we are to devote the sensitive effort required to maintain a constructive relationship.

Another central element to the successful management of our relations is a disposition on both sides to consult with each other about potential issues whenever possible. Both sides have accepted this principle to the point where prior consultation and discussion is a day-to-day feature of our government-to-government relations. This provides opportunities for both sides to ensure that their concerns are given a fair hearing. This is important if there is to be a sensible accommodation of one another's interests, and if the number of surprises we spring on each other is to be kept to a minimum.

However, in a very limited number of cases, both governments will have to be prepared to live with some differences -- as we each live with our differences with other nations -- without calling into question the state of the overall relationship.

Let me cite one example. The Third United Nations Law of the Sea Conference -- where Canadian and U.S.A. positions reflect areas both of differences and agreement -- is a dynamic example of the interplay of relations at both the multilateral and bilateral levels. Both governments attach the highest priority to the successful conclusion of the Law of the Sea Conference, the most important and complex exercise now taking place in the development of international law.

It is not surprising that two neighbouring coastal states such as the United States and Canada, both of whom have a wide range of essential interests at stake in the Conference, share the same basic positions on many questions: both want the session which will start in New York in August to score a breakthrough on the outstanding problems of the Conference, so that a fair and workable treaty, responsive to current needs and realities, will be in place in the very near future; both countries support the coastal state's sovereign rights over fisheries resources off its coasts and the special responsibility for salmon of the state in whose rivers salmon originate; and both countries support the reaffirmation of the coastal state's sovereign rights over resources to the outer edge of its continental margin.

It is also not surprising that there are important Law of the Sea issues on which the perspective of our two countries has differed, for example, on some aspects of the role which the coastal state should play in protecting the marine environment off its coast, and on some of the specifics of the legal regime to govern the international seabed area which is the "common heritage of mankind". What is important to note, however, is that where there have been or still are differences in approach, our two countries have consulted at various levels in order to bridge differences in flexible and practical ways.

Many of the general issues being considered at the Law of the Sea Conference could have practical implications for a number of bilateral issues between our two countries. There is a recognition, however, that specific maritime problems between our two countries should be resolved at the bilateral level. Both governments are co-operating to ensure that maritime issues do not escalate into serious bilateral irritants. As you are no doubt aware, on June 4 I announced that the Canadian 200-mile fishing zone will come into effect no later than January 1, 1977. Canadian and U.S. officials are consulting to pave the way for continuing harmonious and mutually beneficial fisheries relations following the coming into effect of the proposed U.S. and Canadian 200-mile zones. On the question of deep seabed mining, Canada is concerned about a United States proposal made during the last week of the recently concluded Conference on Law of the Sea, which would have the effect of placing controls on land-based nickel production to protect seabed exploitation of this resource. Canadian officials will be discussing this matter shortly with their U.S.A. counterparts. I cannot, of course, guarantee that no serious bilateral problems will arise in the Law of the Sea/fisheries field, but I can at least say that our two governments are making a concerted effort to resolve problems before they disrupt our relations.

Examining Some Future Opportunities

I should like to conclude by looking to the future. The accelerating pace of change in the world has made it essential to have much greater communication and interaction between nations. Coping with the implications of change in the international community will challenge statesmen around the world in the coming years. Many economic, social and technological developments affecting us all will need to be examined in a much broader context than the purely national, or indeed the bilateral, and in a much more compressed time frame than has been required in the past. The fundamental problems of population, food, inflation, energy, and the interrelated political and social consequences associated with global economic disparities, are international in their scope and complexity and soluble only through international co-operation. In the perspective of Canada/United States relations, this calls for breadth of vision in our respective policy making.

Canada and the United States are among those nations in a position to contribute to the process of finding answers to these world problems. We are both already very much involved in international organizations and conferences which have begun to seek workable solutions. In making a contribution, we sometimes work in concert, sometimes separately. The fact remains, as we both become increasingly involved in attempts to resolve multilateral problems, our overall relations are given greater dimension. Multilateral problems will more and more come to demand the focussed attention of both governments. Nonetheless, the strictly bilateral content of our relations will continue to be of fundamental importance. This evolution, or maturing if you will, of the Canada/U.S. relationship will thus require an appreciation of the fine balance between the bilateral and multilateral aspects of our relations. The successful management of this even more complex relationship will demand at once vigilance and imagination by Canadian and American statesmen alike. Vigilance -- in continuing to uphold our respective national interests; imagination -- in responding to the imperatives of global interdependence. I am confident that we shall measure up.

FOR IMMEDIATE RELEASE

JUNE 10, 1976

CHECK AGAINST DELIVERY

STATEMENT DISCOURS



Government
Publications

NOTES FOR A STATEMENT ON
MOTIONS IN THE HOUSE OF
COMMONS, BY THE SECRETARY
OF STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J.
MACEachEN,
JUNE 10, 1976

"RESULTS OF UNCTAD IV"



In reporting to the House on the results of the United Nations Conference on Trade and Development, I should like to say at the outset that its immediate results represent a major achievement in the dialogue between developed and developing countries on a new international economic order and that the longer-term impact of Nairobi will be substantial. Obviously, UNCTAD IV (United Nations Conference on Trade and Development) -- like all conferences where countries are required to make compromises in order to ensure agreement -- did not achieve all that Canada or other developed and developing countries might have wished. But it was, without question, a most important step in the efforts to reduce disparities between developed and developing countries which were initiated at the Seventh Special Session of the United Nations.

At that session I stated that Canada was determined to play a positive role, to use our resources and our influence to help bring about constructive change in the international economic system and thereby to reduce the gap between rich and poor nations. Governments committed themselves at that time to work together to make changes in the international trade and payments system in order to enable it to contribute to more rapid economic development in the developing countries, and to permit them to obtain a larger and sustained share in world trade.

UNCTAD IV was the first major UN conference following the Seventh Special Session, and in its disagreements as well as in its accords, it reflected these new dimensions: there were efforts to address these questions at a practical level; there were some important new commitments; there was agreement to create a program, time-table and framework for the central issues in which the many essential decisions can be taken.

In my statement to the Conference on May 7, I touched on the four areas Canada considered would be the main issues to be dealt with: the problems of stabilization of commodity trade, the alleviation of the debt servicing difficulties of many developing countries, liberalization of trade to benefit developing countries, and the transfer of technology to developing countries. Of these, the commodities issue proved to be the central focus of the Conference. Indeed, the adoption -- by consensus -- of a resolution which established an integrated program for commodities was the major achievement of UNCTAD IV. The resolution defines the objectives of the integrated program, proposes a list of 18 commodities of particular interest to the developing countries for consideration, describes the international measures to be taken in the context of the program, and establishes procedures and a time-table for pursuing it. On the important question of a Common Fund, the resolution provides for a negotiating conference to be held next year and for a series of preparatory meetings. As a major importer and exporter of commodities we shall be actively involved in these international discussions

and shall work with the other participants to resolve the problems of commodity trade which concern developing countries. These discussions and negotiations will provide the appropriate basis for examining the parameters of a common fund and for a decision regarding its establishment. As I stated in the House earlier this week, if we are satisfied in the course of these commodity meetings and negotiations that the common fund will be effective and useful, Canada will make a contribution to it.

The conference also took an important decision on the subject of the financial problems of developing countries by adopting, again by consensus, a resolution on the debt problems of developing countries. The resolution calls for appropriate international bodies to identify features relating to debt servicing problems which could provide guidance in the future for dealing with them. In addition, a ministerial session of the UNCTAD Board will be held in 1977 to review this work and a Group of Experts will be established to assist in this review. We had hoped that some further steps would be taken on the broader subject of financial transfers, which is of fundamental importance to many developing countries, but this was not possible. We had hoped, for example, that the conference would agree to improve the international standard for official development assistance so that developing countries would receive such assistance on softer terms than they do now. Although this was not agreed, we shall continue to pursue this objective.

Apart from these two issues of particular importance, the Conference also adopted resolutions on trade liberalization, the transfer of technology and a number of other subjects. One remarkable, and encouraging, aspect of the Conference was the fact that 12 of the 13 resolutions approved were adopted by consensus. No previous UNCTAD conference has reached such a broad measure of agreement.

Canada supported all of these resolutions, offering explanatory statements on a number of them. We also, together with other industrialized countries, supported a proposal for further study of the concept put forward by the United States. Dr. Kissinger had proposed to the Conference that early consideration be given to the establishment of an International Resources Bank to facilitate resource development in the poorer countries. While we have not reached any final conclusion on this idea, we believe that it fully merited further consideration and we regret that it was narrowly defeated by two votes -- the great majority of developing countries abstained on the resolution.

Despite the difficulties which arose at the Conference and the problems which still need to be resolved, I believe that the outcome augurs well for the continuing dialogue between the developed and developing countries. Most especially, the positive results of the conference, particularly in the commodity area, should provide a useful and constructive basis for pursuing the work of the Conference on International Economic Co-operation in Paris.

At UNCTAD IV, Dr. Pérez Guerrero stated on behalf of the developing members of CIEC -- the Paris Conference -- that failure in Nairobi could bring into question the continuation of that dialogue. The 19 developing countries which are members of CIEC have now assessed the situation. In the light of the progress made on a number of important questions at Nairobi, they have indeed judged it useful to continue the dialogue in Paris. I fully share the view that there is a satisfactory prospect for balanced progress in CIEC during the remainder of the year. In July, the CIEC will be reviewing the progress it has made and setting its course for the second half of the year. I am confident that the results of UNCTAD IV will help the Conference in Paris to pursue its essential objective -- the strengthening of international co-operation for the benefit of all.

So far as Canada is concerned, we shall pursue the work outstanding from UNCTAD IV in UNCTAD, CIEC, and other bodies. We shall pursue our interest in improving the international standard for official development assistance. Together with other countries, we shall consider further the balance of payments and debt problems of developing countries and the appropriate measures for meeting them. We shall continue to support the principle of joint producer/consumer financial responsibility, on a mandatory basis, for buffer stock financing within commodity agreements containing such stocks. We shall be actively involved in consultations and negotiations on individual commodities, and on the common fund. We shall devote efforts to see that the developing countries achieve additional benefits in the course of the multilateral trade negotiations in Geneva. We shall take an active part in the elaboration of a voluntary code of conduct for the transfer of technology, which is universally applicable.

While the decisions taken by UNCTAD IV mark an important stage in our common efforts to reduce disparities between developed and developing countries, our progress towards that goal -- to which the government is fully committed -- will not be easy and will require hard decisions. As we proceed along that course, there will be costs for Canada, and for individual Canadians. Their support will be essential, but with it -- and the support of this House -- we may approach these decisions in a confident and positive manner.

STATEMENT DISCOURS

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NOTES FOR A STATEMENT
MADE BY THE SECRETARY OF
STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
AT THE O.E.C.D.
MINISTERIAL MEETING
IN PARIS, JUNE 21, 1976

"INVESTMENT ISSUES AND
GUIDELINES FOR MULTINATIONAL
ENTERPRISES"

Mr. Chairman, the Documents we now have before us for consideration are of considerable importance to my Government.

As one of the countries which initiated consideration of multinational enterprises in this organization, we welcome the agreement that has been reached by OECD¹ Governments on recommendations addressed to MNEs². It is timely and useful for the OECD to set broad Guidelines for MNEs operating within the OECD area. We look forward to continued discussion in the relevant OECD bodies of the basis for the further evolution and improvement of the Guidelines. We would note that the promulgation of these Guidelines in no way infringes on the right of governments to prescribe, in the interest of achieving national economic and social goals, the conditions under which multinational enterprises may operate in their jurisdiction.

Canada considers that the accord on investment incentives and disincentives affecting international direct investment will contribute to greater international cooperation in an important facet of our increasingly interdependent world.

In approaching the Declaration and Decision applying to national treatment, the Canadian Government has had to take account of the particular circumstances of Canada with respect to foreign investment.

Canada has relied more heavily than other OECD countries on imports of capital to develop its industrial structure. Until 1974 there were very few restrictions or even administrative processes applying to investment from abroad. We did not impose significant constraints to establishment as have other OECD member states. As a consequence of this and the attractiveness of Canada as a location for investment, foreign ownership and control have attained levels in Canada that are unparalleled in most other OECD countries.

.../2

1. Organization for Economic Co-operation and Development.
2. Multinational Enterprises.

Foreign investment has undoubtedly conferred economic benefits on Canada. However, the extent of foreign ownership in the Canadian economy has occasioned increasing public debate.

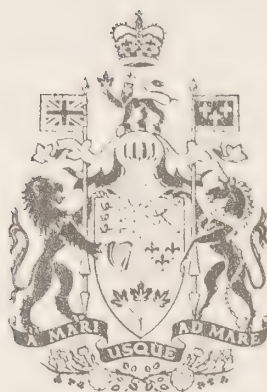
In the face of these concerns, Canadian Governments have introduced legislation and guidelines seeking to ensure that foreign-owned corporations in Canada are responsive to Canadian domestic goals and priorities. The best known piece of legislation in this area is the Foreign Investment Review Act. Elements of differentiation in treatment between Canadian and foreign controlled enterprises are also to be found in other Federal and Provincial legislation, regulation and administrative practice in such sectors as financial institutions, communications, publishing, uranium development, oil and gas lands development and under the Income Tax Act. Canada will continue its efforts to strengthen Canadian enterprises and to seek significant benefit to the Canadian economy from foreign investment.

In this regard, I think it appropriate to note that there are many instances where member countries have found it necessary to introduce measures at variance with the principle of national treatment in order to achieve essential domestic social and economic goals. There are also instances of this in Canada but I would point out that for the most part we do not differentiate between Canadian and foreign controlled corporations.

It is against this background that I should set out for the record our understanding of the impact on domestic policies of the Declaration as it applies to national treatment. In this connection I note that Canada will continue to retain its right to take measures, affecting foreign investors, which we believe are necessary given our particular circumstances. I would underline that Canada continues to welcome foreign direct investment.

We consider that the OECD Declarations and Decisions will contribute to closer international cooperation in an area which will undoubtedly assume increasing importance in the context of the growing economic interdependence of OECD members. Canada, therefore, in the light of the understanding I have outlined, is in a position to accept the Declaration and the commitments to notify and consult.

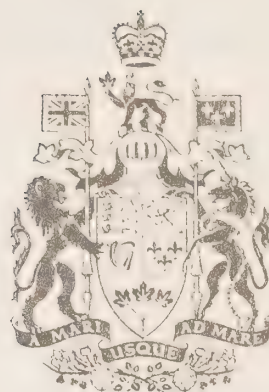
STATEMENT DISCOURS



NOTES FOR A STATEMENT
BY THE SECRETARY OF
STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
AT THE O.E.C.D.
MINISTERIAL MEETING,
PARIS, JUNE 21, 1976

"NORTH-SOUTH DIALOGUE"

STATEMENT DISCOURS



NOTES FOR A STATEMENT
BY THE SECRETARY OF
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"NORTH-SOUTH DIALOGUE"

Mr. Chairman,

I am very pleased to be given the opportunity to open this important discussion with my colleagues in the Organization for Economic Co-operation and Development (OECD) on the North-South dialogue.

This is a question which, as you know, has been very much at the centre of my attention during the past several months. 1976 is a particularly significant year for this dialogue because of the United Nations Conference on Trade and Development (UNCTAD IV) which recently concluded its work in Nairobi, and because of the Conference on International Economic Co-operation being held here in Paris. UNCTAD IV was an important test of the political will of developed and developing countries to pursue substantive issues in the context of an established North-South dialogue. Some developing countries found that it was disappointing that proposals put forward by the United States of America were not supported for further consideration. However, in our view the results were satisfactory in that they constituted forward steps in certain areas, thus permitting the continuation of the North-South dialogue in an atmosphere of understanding, and, on balance, UNCTAD IV was more successful than many people had anticipated.

The decisions taken in Nairobi were primarily of a political and procedural nature. The issues dealt with there are perceived by developing countries as being highly political in nature. It is extremely important that the political will to reach compromise and to avoid a return to confrontation continue to play a role in the implementation of the results of UNCTAD IV. There is still considerable scepticism among developing countries that substantive progress will be made. We must avoid damaging our credibility in the crucial period ahead which will see the follow-up to the results of UNCTAD IV.

In part, as a result of the Nairobi meeting, the Conference on International and Economic Co-operation (CIEC) can continue to play a key role in the North-South dialogue. There is a unique opportunity during the next few months for CIEC to work for realistic progress by examining issues, by stimulating action in other international bodies, and by creating a programme for co-operation for both developed and developing countries. This opportunity should not be lost. CIEC has provided in its first and analytical phase a useful forum for detailed discussion on a wide range of economic problems, including energy, of concern to both developing and industrialized countries. This work has provided a good

base for progress in the next six months. There has been close co-operation among the developed countries which constitute the group of eight at the conference. Some advances have been made in defining specific areas of concentration for the work program of CIEC, with the aim of arriving at a concrete outcome at the Ministerial Meeting next December. More progress must be achieved in this area if we are to succeed; and time is becoming short. The July meetings of the four commissions will have an important role to play -- that of defining their work programmes for the second phase of the conference.

We are now reaching a delicate period in the North-South dialogue in CIEC -- a period of transition between the first, analytical phase and the second, action-oriented phase. At the meeting last week of CIEC co-chairmen there was broad agreement on launching the action-oriented phase of the conference. And here I must raise one point which concerns me. I see the possibility of misunderstanding or ambiguity regarding the word 'action'. The challenge in the second phase of CIEC will be to define what action we are talking about, and what action will be acceptable to all sides.

The industrialized countries must work together to ensure that the action-oriented phase indeed produces concrete results. We must do all we can at this OECD Ministerial Meeting, and at future meetings dealing with this issue, to preserve a good climate for the North-South dialogue -- in Paris and elsewhere. In substantive terms, we must break the back of some of the basic issues on the table, although at present it is clearly premature to indicate what kinds of solutions may eventually emerge. This means that we will all have to come to grips with some difficult problems in the next six months -- for example, the indebtedness of developing countries, and a balanced approach to commodities.

The industrialized countries, I believe, must work together in close consultation as the work of the Conference progresses, but I should stress that our unity as a group is directly related to the prospects for real movement in our respective positions. It would be very difficult to remain united as a group if our positions were static or retreating.

As co-chairman of CIEC, I would like to be assured of the real commitment of developed countries to positive action toward international economic co-operation during the second half of the conference. We are committed to an action-oriented phase. Foot-dragging could lead to the break-down of the North-South dialogue. When weighing the costs of action on the issues before us, we must also weigh the costs of inaction.

The CIEC is a new departure in relations between developed and developing countries. It requires a new approach by us. Instead of being on the defensive, we must be positive and innovative in our positions on the issues in Paris. In our view, this forum offers us the best hope at present for economic and political co-operation between developed and developing countries. Our interests lie in orderly adjustments in international economic relations in maintaining a sound and effective trade and payments system which serves the interests of all countries.

The December Ministerial meeting of CIEC will be a moment of truth, when political decisions will have to be made on important economic issues. We should all be aiming at a program for co-operation to come out of the December Ministerial meeting, which would include different types of decisions, levels of commitment, and directions for the future for a selected range of issues.

When CIEC comes to an end, even with the progress which we hope to achieve it is clear that serious problems will continue to exist. And the dialogue between North and South, rich and poor, will have to continue through the years ahead. The changing relationship between North and South is not transitory. It has become a permanent dynamic in the international system, a reality and a challenge which all of us must face squarely, now and in the future.

Thank you, Mr. Chairman.

NOT FOR PUBLICATION BEFORE
14:00 HOURS, JULY 6, 1976

CHECK AGAINST DELIVERY

STATEMENT DISCOURS



NOTES FOR A LUNCHEON
STATEMENT BY THE SECRETARY
OF STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J.
MACEachEN, ON THE OCCASION
OF THE SIGNING OF THE
FRAMEWORK AGREEMENT FOR
COMMERCIAL AND ECONOMIC
CO-OPERATION BETWEEN
CANADA AND THE
EUROPEAN COMMUNITIES,
OTTAWA, JULY 6, 1976

Foreign policy, like all human affairs, is dictated partly by the logic and the pressure of events and partly by design. This much we must accept. The better the design, however, the more likely we are to be able to shape events, and to reach the goals that nations, no less than individuals, set for themselves.

Some years ago, Canada reviewed its goals in the light of the changing realities as we were about to enter the last quarter of the 20th century. It was clear to us from this review that we could not simply allow nature to take its course, not even in the case of relations with the Western European nations to which Canada is linked by many ties of tradition, culture and language.

The European Community had embarked upon a new course which promised to create a new and significant dimension of the international reality. While we did not discount, as the Europeans themselves did not discount, the nature of the obstacles that lay between promise and achievement, we have always had confidence that Western Europe would continue to move forward towards greater unity. This unique development in world affairs, along with the perceptible and rapid changes in the Canadian situation, called for a new response on our part.

Clearly, a new design was needed in our foreign policy to take account of the changing circumstances and to steer events in the desired direction. As most of our European friends are aware, a basic tenet of Canadian foreign policy is to develop in harmony with the United States, but distinct from it, in the affirmation of an individual national personality and in keeping with our own national interests. Thus it was logical for Canada to seek to give a stronger and larger economic dimension to its relations with the European Community, which is the world's largest trading entity, with a highly advanced industrial base and increasing import requirements.

The impulse of the new policy orientation would undoubtedly have led to an increased level of interchanges between Canada and Europe, but it was the view of the Canadian Government, and I believe it was a view shared by our European partners, that we could give this impulse additional momentum and that we could help shape events to our mutual advantage.

Added emphasis on our economic and commercial relations with the European Communities thus became one of the major patterns in our foreign policy design and it was given tangible expression by the dialogue which was begun in 1972 and which has led to the conclusion of the Framework Agreement for Commercial and Economic Co-operation between Canada

and the European Communities. It is relevant to underline that this Agreement is unique among industrialized countries and that we are pioneering a new form of international economic co-operation.

Today is therefore an important milestone for us, and I feel privileged to have the honour to extend an official and warm welcome to the Foreign Minister of the Netherlands, His Excellency Max Van der Stoep, in his capacity as President of the Council of the European Communities, and Sir Christopher Soames, Vice-President of the Commission of the European Communities.

I know, Mr. Van der Stoep, that your assumption on July 1 of the post of the President of the Council, added to your domestic responsibilities has made July an extremely busy month for you, and I am grateful indeed that you have made time in your heavy schedule to come to Ottawa for this occasion.

I should also like to take this opportunity to pay particular tribute to Sir Christopher Soames, who has made a major contribution to the efforts which have brought about this Agreement. His support for the enterprise we had undertaken has been greatly appreciated by the Canadian government. I should also like to pay tribute to the work of the respective chief negotiators of the Agreement: Mr. Leslie Fielding for the Communities, and Mr. Michel Dupuy for Canada, whose negotiating skills are evident from a reading of the Agreement. To my regret, Mr. Dupuy could not be here today. His presence was required in Paris for a meeting of the Conference on International Economic Co-operation. I am very pleased, however, that Mr. Fielding was able to join us.

Having successfully met the first challenge by reaching agreement on the framework, we must now infuse it with life. This will be an important function of the Joint Co-operation Committee which has been created under the terms of the Agreement.

We do not expect things to change overnight, but we do hope that the Agreement will act as a catalyst to stimulate economic co-operation which will on our part involve not only the private sector but also the provinces. It is fitting, therefore, that today the representatives of the member states and of the European Communities share the table with representatives of Canada's provincial governments and private business, who will all have to play their part if the Agreement is to achieve its potential.

Thus, today's ceremony, far from being the end of a process, marks the beginning of a new venture. We now have a design and framework; it is now up to both sides to translate promise into performance.

STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.



REMARKS BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J. MACEachEN,
ON THE OCCASION OF A DINNER
HOSTED IN HIS HONOUR BY
THE UNITED STATES SECRETARY OF STATE,
THE HONOURABLE HENRY A. KISSINGER,
AUGUST 17, 1976
WASHINGTON, D.C.

Mr. Secretary, Distinguished Guests:

I should first of all like to thank you for this very warm reception and for making one feel so welcome. The fact that cordial welcomes are commonplace between our two countries does not detract from the warm and relaxed hospitality of each separate occasion. This evening's dinner proves that rule in satisfying measure.

The close dealings which characterize Canada/United States relations have become almost a byword. Perhaps this is in part because we have had much experience. There has always been a full agenda of common interests to be pursued and problems to be resolved. There always will be. I like to think that the numerous meetings which Dr. Kissinger and I have made a point of holding in various parts of the world have played a part in setting the tone for the day-to-day dialogue which takes place between our officials. I regard it as most important that we preserve the habit of ready and continuing willingness to communicate openly.

This means that representatives from two neighbouring nations - nations who know and trust each other well - are able to speak candidly and realistically as friends. And, while it does not follow that sentiment and goodwill alone colour our perceptions of each other, neither are these irrelevant or unworthy factors.

At the same time - in a world still struggling to rise above the confines, imperatives and abuses of national sovereignty - we remain two nation states of unequal power, each with its own defined interests and objectives, most of which correspond, but some of which conflict. It is also true that as a nation, trying firmly yet responsibly to chart the direction of our own national development,

Canada has taken a number of policy initiatives which are not directed against, but which affect most, our closest friends in the United States.

There is a balance to be struck here, between co-operation in mutual endeavour and the building of one's own national strengths from within. A new balance is not always easy to achieve, but responsible Canadians agree that its achievement is a realistic and worthy goal.

Of course, depending on one's perspective of change, I suspect that Canada's efforts to seek a new balance can be misconstrued. Perhaps this accounts for the conclusion of some observers that Canada/U.S.A. relations are somehow moving out of phase in certain areas, or that Canadian actions are chipping away at the traditional harmony between the two countries.

I don't think these assessments objectively describe Canada/U.S.A. relations. Rather, it seems to me they reflect different perceptions of how Canada/United States relations should evolve. As a result of these differences in perception, Americans and Canadians are holding our respective actions up to a different light.

However, as a people who this year are celebrating the bicentennial of your revolutionary experience, and who are reaffirming the ideals with which you have shaped your own nation, I am confident that Americans, above all our friends, can respect and appreciate why Canadians are concerned to give due attention to our own evolving national priorities.

It does not seem warranted to take the position that our bilateral relations are somehow less successful because of Canada's efforts to achieve national goals which Americans take for granted. Moreover, and

this really goes without saying, it is unrealistic to conclude that Canada would acquiesce in what it regarded as a decline in its relations with the United States.

The active assertion of national will in both nations requires that we acknowledge the legitimate aspirations and interests of the other, that we recognize the changes that are taking place in Canada and the United States, and that we take into account the fundamental desire of Canadians and Americans that our relationship, at bedrock, be mutually beneficial.

Against this background I think we are just beginning a long but orderly process which will involve a reasonable and constructive readjustment in our relations, in which each of us grows more aware of the other's proper concerns. We begin with the advantages of a long-standing friendship, and of a substantial degree of common interest. Canadians are the first to recognize the contribution to peace and world betterment which United States international leadership represents. And I think you will agree that there are many ways in which Canada does assist in shouldering the burden.

I look forward to our talks tomorrow as being a prime example of the kind of dialogue which marks our relations. And I am confident the frequent consultations which Dr. Kissinger and I have found so useful will have established a pattern for the future.

FOR IMMEDIATE RELEASE

AUGUST 25, 1976

STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.



NOTES FOR A SPEECH BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MacEACHEN,
TO THE PRESS CLUB,
JAKARTA, INDONESIA,
AUGUST 25, 1976

Mr. Chairman, Your Excellency, Ladies and Gentlemen:

I should first like to express my warm appreciation to the Press Club for asking me to speak to such a distinguished audience, and for giving me the opportunity to address myself to a much wider audience through the intermediary of your professional and respected membership.

On behalf of the Canadian Government, I should like to thank the authorities of Indonesia, particularly Foreign Minister Malik for the kind invitation which has brought me to Jakarta. I recall with pleasure my meeting with Foreign Minister Malik in July 1975 when he, and two of his cabinet colleagues, accompanied President Soeharto for a visit to Canada. Indonesian hospitality is justly famed, and my hosts have left me in no doubt that the reputation is well deserved. I am unable to stay in your country as long as I should wish but the warm and generous reception which Mr. Malik and his colleagues have extended to me and to the members of my delegation are making this a memorable visit. It is indeed an auspicious beginning to my tour of Pacific nations which will also take me to Malaysia, New Zealand and Australia.

The progress that is being made in Indonesia and in the four other members of the Association of Southeast Asian nations has provided an important impetus for my present visit to this region in my capacity as Secretary of State for External Affairs. It emphasizes the growing interest in Canada in developing closer relations with the countries of ASEAN, of which Indonesia is by far the largest, and the most populous. Accordingly, Foreign Minister Malik, his colleagues and I have discussed ideas and approaches to issues with a view to adding to the momentum of our bilateral relations, which have developed significantly over the past few years.

I should perhaps begin by explaining that in 1970, after an exhaustive study and analysis by my Department, the Canadian Government took a formal decision to work actively in order to diversify Canada's relations with other countries.

As a Pacific nation, it was logical for Canadians to look beyond our Western shores to the countries which, along with Canada, were situated on the rim of the world's largest ocean. Canadians were, of course, very much aware already that the Pacific was an area where the drama, and all too often the tragedy of human affairs was being played out, and where the tensions and disagreements which divided the world community found a particularly violent focus. The Korean War, and later the Vietnam War, were very much a part of the Canadian consciousness and we played a role in both conflicts.

A Canadian contingent served in Korea under the aegis of the United Nations, and for many years we participated in all the peace and supervisory commissions in Indochina, including on one occasion with Indonesia. Thus, the concept that Canada, as an active member of the world community, and more particularly as a Pacific nation, had a direct stake in the peace and stability of the Asia/Pacific region, was widely accepted in Canada. Accordingly, when five or six years ago we began to place greater emphasis on our bilateral relations with the countries of the Pacific, we were not newcomers on the scene.

With its long Pacific coastline Canada is very much a Pacific nation. Modern transportation has brought us much closer to all countries in the area. We therefore have a stake in the future of the region. It is for this reason that the Canadian Government considers it has a significant role to play in promoting peace and stability. As economic development is a fundamental prerequisite for stability, Canada is making available development assistance to countries of the region. In the context of the North/South dialogue Canada aims, by the transfer of resources and technology, to help to close the gap between developed and less developed countries. We hope this economic co-operation, too, will serve to strengthen the independence of individual nations in this post-colonial period and evolve into a mutually beneficial commercial relationship. The scope in this area is great because of the promising future of the area, given its wealth of human and natural resources. I should mention too that migrants from Asia are increasingly contributing to the diversity of Canadian culture. Canadian interest, then, in the Pacific is considerable.

Turning specifically to Southeast Asia, our involvement in the region has been overshadowed in the public eye by our participation in the Indochina peace and supervisory commissions. I know that our withdrawal from the commission caused apprehension in some quarters that Canada was losing interest in the region, but I wish to assure you that the reverse was true. After the end of the Vietnam War, Canadian resources and expertise that previously had to be devoted to our commission work, could be put to work more productively in developing and implementing our policy towards the countries of Southeast Asia where Canada had substantial bilateral interests. At the same time we did not overlook the fact that tensions remain in the area, and I know that these tensions, as well as the continued confrontations in the Korean peninsula, are of concern to ASEAN leaders as indeed they are to Canada. Thus, we participate actively in the search for solutions to these tensions by a process of consultation and co-ordination with our friends.

An important aspect of Canada's policy in the Pacific is support for the Association of Southeast Asian Nations. Canada firmly believes in the usefulness of such regional groupings and strongly supports the objective of regional

co-operation. The steps being taken by all countries of the region to develop their economies in a manner which will lead to a closer partnership among them are a particularly encouraging sign of increasing cohesion. I believe that ASEAN's objective of providing cultural co-operation should also serve as an important unifying factor. Furthermore, I consider it significant that ASEAN is open to all countries of the region that subscribe to its principles. It may be unrealistic to think that the membership of the association is likely to be expanded in the near future, but the commitment to an outward-looking policy sets an example for the whole region.

In my view, ASEAN is helping to provide the instruments to counteract the uncertainties which still cloud the future of the region. It can do this in a particularly effective way through the promotion of regional prosperity, which I regard as an essential element of political stability. It is apparent that progress is being made in this direction and I should like to take this opportunity to applaud the contribution that Indonesia is making to the realization of the concept.

In his speech to the ASEAN summit conference, which Indonesia hosted in Bali earlier this year, President Soeharto dealt in a realistic and constructive way with the relation between the internal security of the ASEAN countries, and economic development. He made a convincing case for the need for regional co-operation, without minimizing the difficulties involved. I am confident that his message of realism and inspiration contributed greatly to the success of this first ASEAN summit since the inception of the organization.

To express our support in concrete terms, Canada has made an offer to ASEAN of development assistance for regional projects identified by the five member countries. The possibility of Canadian assistance for studies of a regional satellite communication system and a regional transportation system are currently being examined. During his visit here earlier this year my colleague, Mr. Jamieson, pledged Canada's support in principle for a study of an ASEAN industrial co-operation project in a sector in which Canada has special expertise -- e.g., newsprint, pulp and paper, and potash. I have also informed the Indonesian Government that Canada is prepared to establish a scholarship programme for post-graduate students selected by ASEAN to study in Canada in disciplines which can further ASEAN's objectives of regional co-operation. It is my hope that such assistance will supplement the efforts made by ASEAN member countries to achieve closer co-operation.

Furthermore, Canada is prepared to open a formal dialogue with ASEAN in order to enhance our lines of communication and to facilitate co-operation in the field of development assistance. We will shortly be examining with ASEAN the best way for such a dialogue to take place.

When beginning in 1970, Canada began to place more emphasis on developing its bilateral relations with the individual countries of the region, it was natural, indeed inevitable, that Indonesia would be regarded with special interest.

Indonesia is a land composed of many fascinating and unique cultures as well as a wealth of ancient traditions which testify to the high degree of civilization that Indonesia has enjoyed for many centuries. For as many centuries, Indonesia has been a crossroads in the Pacific, which has attracted traders from all over the world.

The strategic position which Indonesia occupies in the Asia/Pacific area, its large population, and its immense natural resources place this country in a key position to play a major role in international affairs. Thus Indonesia, like Canada, has an interest in a multi-polar world where countries such as yours and ours can have a distinctive and effective voice in world affairs. To this end, our two nations are intensifying bilateral relations with a variety of countries, including each other, in order to avoid an excessive dependence on only one or two partners.

Canadians are impressed by Indonesia's pragmatic leadership in economic planning, which has resulted in steady economic progress. In my view these efforts are noteworthy not only because they have achieved a considerable measure of success, but also because they had to be carried out despite the great difficulties that necessarily face a country as large and as complex as Indonesia at its present stage of development.

But the Canadian experience in nation building made us see Indonesia in yet another light. Despite the great differences between Indonesia and Canada, there are similarities and problems we have in common. Indonesia, like Canada, is large. Indonesia, with its thousands of islands and Canada with its difficult terrain present a formidable geographical challenge. Indonesia is a tropical country, while Canadians have had to live and work in conditions of extreme cold. Canadians have learned first-hand that distance and climate make the job of transportation and of communication vastly more complicated, but we have also developed means to deal with these problems. Thus our experience with these conditions has given us an insight into the problems faced by Indonesia, as well as a capability to find practical and workable solutions.

There are further similarities -- Indonesia, like Canada, is rich in natural resources and both countries face the challenge of developing them in a rational manner which will bring the greatest amount of benefit to our citizens. This involves, for both our countries, the participation of foreign capital and the attendant need to maintain constant communication between the government and the private sector to ensure that the interests of all parties are served and that the decision-making process works efficiently.

A parallel can also be drawn between the multi-cultural character of Canada, whose population is composed of people from many nations, and the many cultures and traditions, which, occupying innumerable islands extending more than 5,000 kilometers make up the diversity, and the unity of Indonesia. Canada therefore appreciates not only the physical difficulties associated with transportation and communication over such vast distances, but also the over-riding importance of overcoming these problems to foster national unity and to create a common national purpose.

Thus, the reorientation of Canada's foreign policy to which I referred earlier, along with the similarity or convergence of interests between our two countries, created a climate in which the rapid development of our bilateral relations became possible and desirable. That neither side has been slow to take advantage of these circumstances can be demonstrated by a look at recent trade and development figures. In 1973 our bilateral trade was \$20.7 million. Two years later, in 1975, this figure had grown to over \$78 million. As well, over the last 10 years, our development assistance disbursements to Indonesia have grown from less than half a million dollars to \$36.7 million in 1975/76. This makes our development assistance programme with Indonesia one of the largest we have in the world.

The impressive performance of the Indonesian economy in the past few years and Indonesian economic development plans suggests a healthy economic growth in the future. The emphasis on sectors such as forestry, mining, oil and gas development, power generators and distribution, telecommunication and agriculture -- areas which match Canadian capabilities, points to a further development.

In support of these efforts Canada has made available to Indonesia a total of \$200 million in the form of parallel lines of credit, comprised of \$25 million from CIDA and \$175 million from the Canadian Export Development Corporation and private Canadian banks. More than half of this amount has already been committed, which shows that Indonesian and Canadian businessmen have been quick to exploit the commercial possibilities.

In recognition of Indonesian economic progress, Canada is working to increase the level of development assistance to Indonesia with a programme involving projects in transportation, power and water resource development in support of agriculture, regional development schemes and technical assistance programmes aimed at strengthening Indonesia's technological resource base.

I am happy to have been able to sign, during my visit, a loan agreement and two memoranda of understanding for projects which happen to be ready for final approval at this time but which also symbolize Canada's development assistance to Indonesia. The loan agreement provides \$10 million for flexible use in Indonesian water resource development. It reflects the high priority accorded water resource development at the recent Habitat Conference on Human Settlements in Vancouver. One of the memoranda of understanding concerns the provision of a grant of \$900,000 to assist in rehabilitating and expanding the Ombilin Coal Mine in West Sumatra through technical assistance to the Ombilin School of Mines and training at the College of Cape Breton, which, I am pleased to note, is very close to my own home in Canada. The other memorandum of understanding concerns the provision of a grant of \$550,000 to finance a feasibility study, design, supervision of construction and project management for the Bengkulu hydro-electric generating station in Sumatra. I am also pleased to have been able to exchange letters with Mr. Malik concerning a \$9.4 million loan to finance the foreign costs of Biringkassi Port which will service the Tonasa Cement Plant in Sulewesi. This loan completes the \$80 million Canadian financing for the Tonasa project. These four projects reflect Canada's continuing commitment to Indonesian economic development.

A vote of confidence in Indonesia's future was also extended by the International Nickel Company of Canada, one of Canada's major industries. INCO is investing \$850 million for the construction of a nickel mining and smelting project, which will be a significant addition to Indonesia's industrial capability. Although this is the largest, it is not the only project involving Canadian capital and technology, as a number of other Canadian companies are equally active in Indonesia in a number of fields.

The contacts that Canada and Indonesia have so successfully developed in the past few years, however, extend beyond the bilateral to the multilateral, where we have found that we could co-operate on certain issues and consult each other to good effect on others. I recall that at the United Nations, Canada was a member of the Security Council at a time when we were able to make a contribution to Indonesia's

independence. Since then we have a common interest to find realistic and workable solutions to the problems that so tragically divide the world. We share a belief in the virtues of flexibility and compromise, and in the need to keep open the lines of communication. In my view this approach has served us well at the Law of the Sea Conference, where as coastal states we share many common objectives. The co-operation between our two delegations has contributed greatly to the development of new concepts, such as the economic zone and the regime to be applied to archipelagoes. At the crucial session now taking place in New York it is of the utmost importance that we continue this co-operation to ensure that generally acceptable solutions to the many outstanding issues are found.

Indonesia and Canada also share membership in the Conference on International Economic Co-operation which is a major effort to come to grips with perhaps the most crucial and challenging issue of our times. As Co-Chairman of the Conference I have been engaged in an intensive round of consultations with the group of industrialized countries and with my fellow Co-Chairman, Dr. Perez Guerrero, in an effort to move the dialogue forward.

In my view the problems we face in CIEC are difficult, but not insurmountable and I am very pleased that I had an opportunity to discuss these questions with Mr. Widjojo, who has given me some valuable insights into the issues that are of primary concern to the Indonesian authorities.

Ladies and Gentlement, I have touched on some of the issues that concern Indonesia and Canada, both in the bilateral and in the multilateral sphere. I do not wish, however, to exhaust your patience by attempting to exhaust my subject. I have tried to indicate, briefly, where we stand in Indonesia-Canada relations. The dialogue has begun, and it has begun well. But we still know far too little of each other. We must work to expand the dialogue and this will take the co-operation and active assistance of governments as well as our respective private sectors. The Canadian Government will be playing an active role in this process and my talks with my Indonesian counterparts have confirmed to me that the Indonesian Government shares the same objectives.

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NOTES FOR A SPEECH BY THE
SECRETARY OF STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE ALLAN J. MACEachEN,
AT A DINNER GIVEN BY
FOREIGN MINISTER AHMAD RITHAUDDEEN
BIN ISMAIL,
KUALA LUMPUR, MALAYSIA,
AUGUST 26, 1976

On behalf of the Canadian Government I should like to thank you and your Government, Foreign Minister Rithauddeen, for the kind invitation which has brought me to Kuala Lumpur. This is the first time I have had the opportunity to visit your country and I have looked forward with a great deal of pleasure to my stay here. The excellent program you have arranged for me has enabled me to gain some insight into current developments in Malaysia and its prospects for the future. I only wish that my visit could have been longer but the demands these days on the time of foreign ministers are so extensive that they must be constantly on the move.

I am particularly impressed by the creative way in which Malaysia is developing its rich human material resources. Malaysia has already taken considerable strides in this respect, and I should like to extend my best wishes to you, your Prime Minister, and your colleagues, as you implement the imaginative and demanding third Malaysian plan. As Minister in charge of the Canadian agency responsible for the implementation of our development cooperation policy, I shall follow your progress with great interest. Malaysia and Canada have established an excellent base of fruitful and constructive cooperation in the development field, and I am certain that the future also will bring us opportunities for cooperation.

I was pleased indeed to mark my visit here by signing, on behalf of Canada, an agreement for a 7.5 million dollars loan for the Kenering and Bersia power project as well as a memorandum of understanding for a grant in order to carry out a geo-chemical survey of the central area of Malaysia.

It is my hope that projects such as these can make a valuable contribution to the development objectives that Malaysia has set for itself and can provide an additional stimulus to the Malaysian economy.

I should also like to note that there is encouraging growth in Malaysia/Canada joint ventures and in initiatives being taken to strengthen economic relations. All these steps reflect solid confidence in the future strength and growth of Malaysia.

It also gives me a great deal of satisfaction that so many Canadians are involved in Malaysia through such programs as the Canadian Executive Service overseas, the CUSO and, of course, the CIDA. Just as important is the considerable number of Malaysians who are pursuing their education and training in Canada.

Canada is also an active supporter of the objectives of the Association of South-East Asian Nations of which Malaysia is such a constructive member. Canada has made an offer of development assistance to ASEAN in support of regional cooperation, and we are also examining ways of opening a dialogue with ASEAN as a whole.

Thus Malaysia and Canada share a number of bilateral and multilateral interests including membership in the Commonwealth. For these reasons I think that both our countries will benefit from broader consultations on political questions both regional and world-wide that we are having. I am equally confident that there is room for expansion in mutually beneficial economic relations.

We have a solid base to build on, and I venture to say, a commitment on both sides to make the most of our opportunities.

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NOTES FOR REMARKS BY
THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
TO THE AUSTRALIAN NATIONAL
PRESS CLUB, CANBERRA,
SEPTEMBER 3, 1976.

Mr. Chairman, Ladies and Gentlemen,

I have looked forward with a good deal of anticipation to my trip to Australia. It is the first time that I have had the pleasure of visiting your country. Australians have a well-deserved and enviable reputation for generous and informal hospitality, and I am happy to say that the warm and friendly reception by my kind host, Foreign Minister Peacock, the Prime Minister and his colleagues, has more than lived up to your high standards.

High-level visits in either direction are perhaps not as frequent as would be indicated by the closeness of our relations and by the many interests we have in common. I am particularly glad that we had the privilege of welcoming Prime Minister Fraser to Canada during the Olympics and that we could show him something of our country.

But although the vast reaches of the Pacific tend to keep us apart physically, these distances are less important than the ties that bind us together.

English is spoken, albeit with a somewhat different accent, in both our countries. We value the same historical and cultural links that attach us to Europe and the Commonwealth. Our political systems are built upon the same model of parliamentary democracy that in the modern world seems to be the exception rather than the norm. Australians and Canadians take pride and care to preserve and continue the traditions that are dedicated to freedom and human dignity.

With large countries to develop, Australia and Canada have both evolved flexible federal structures to respond effectively to the needs and aspirations of our people, although my friends of the working press often seem to remain unconvinced. As full-fledged industrialized and consumer nations, we both have to meet the challenges of a modern, advanced, and complex society. Our two countries are rich in natural resources which account for a large part of our wealth. Yet we both remain dependent upon foreign capital and technology to exploit these rich resources. The increased pressures put on our governments to deal skilfully with this dependence are familiar to both of us.

It has for some time been my view that our common interest in the Pacific has not played a large enough role in our bilateral relations. This is an important reason for my visit here, during which I hope to gain some valuable insights from my hosts on the general political and economic situation in the Pacific as seen from the Australian perspective.

As you may be aware, following an extensive foreign policy review concluded by my Department in 1970, Canada has embarked on an active programme of diversifying its external relations. The countries of the Pacific rank high on the list of countries with which we wish to intensify our relations. Thus, my current tour of Indonesia, Malaysia, New Zealand and now Australia is intended to carry forward the momentum that has been created in the past few years - a momentum evident from the increasing number of Canadians that come to this region on private or official business, and by our expanding trade with this part of the world.

I think our interest in this is clear. Canada has for many years been directly involved in the peace and security of the Pacific region. Our role in the Korean War and our long years of participation in the Indochina peace and supervisory commissions have testified to our interest, as well as to our willingness to play a role appropriate to our circumstances.

This attitude has not changed. We continue to follow events closely and we are concerned by the tensions that persist after the conclusion of the war in Vietnam. Accordingly, I raised the topic of regional security in my discussion with government leaders in Jakarta, Kuala Lumpur and Wellington. On the basis of these talks I have been confirmed in my belief that there are opportunities to foster trends that may lead to greater stability, despite the uncertainties that exist.

Canada shares with Australia the view that regional co-operation can be an important source of stability and of economic development. During my stay in Indonesia and Malaysia, I reconfirmed to my hosts that Canada strongly supports the principles and goals of the Association of South-East Asian Nations. I expressed the view that ASEAN's willingness to accept as members other countries in the region that subscribe to its principles is a welcome indication of its flexibility, even though I recognize that there are no immediate candidates for membership.

To express our support for ASEAN in concrete terms, I announced in Jakarta that Canada is contemplating development assistance for regional projects identified by the five member countries. I also indicated to my hosts in Jakarta and Kuala Lumpur Canada's willingness to formalize the dialogue between ASEAN and Canada.

In addition to our support to ASEAN, Canada has also offered bilateral development assistance. Indeed, our development assistance programme in Indonesia is one of the largest we have in the world.

These then are some of the steps which Canada has taken to give effect to our desire to play a more active role in the affairs of the Pacific area. Furthermore, we are currently examining the development of more imaginative instruments of economic co-operation with the developing countries of the region. I consider that such instruments should be designed to strengthen ASEAN as a whole, as well as the individual member states.

Canada has followed with interest the initiatives Australia has taken in this regard. For some years, of course, our officials have kept in touch with each other to ensure that our economic assistance projects complemented each other, and served our shared objective: to contribute to growing prosperity in the region, which in my view is an essential element of political stability.

As a western nation, situated in the Pacific, Australia enjoys a unique vantage point from which to view, and to take part in, developments in the region. I have therefore found my talks with the Prime Minister and Foreign Minister Peacock and his colleagues very timely, and highly informative. I have found it useful to compare notes with my hosts on the various ways in which we can foster the concept of regional co-operation, as well as on the various possibilities that are open to us to expand our bilateral relations with Asian and Pacific countries in general.

Canadians have been impressed by the way in which Australia is moving to establish firm links with their prominent neighbours. The recent visit to China and Japan by Prime Minister Fraser, only a short time after forming his government, clearly demonstrated the importance Australia attaches to its relations with these two key countries. The successful conclusion of the basic Treaty of Friendship and Cooperation between Australia and Japan, which Prime Minister Fraser signed in Tokyo, is in my view a significant development, indicative of a new pattern of relations which is emerging throughout the Pacific region.

I have also noted with interest the recent visit of Prime Minister Fraser to the United States as it is important to Canada that the co-operative relationship between two of our closest friends continue undiminished. Moreover, Canada holds the view that enhanced security and growing stability in the Pacific can be ensured only if the United States continues to play a vigorous role and takes an active part in shaping events. The key position of Japan should also be mentioned. By virtue of its great economic strength, it can play a crucial part in fostering the growing prosperity which I described a moment ago as an essential element of peace and stability.

I think you will agree that if we add up the elements of the complex situation in the Pacific area we do not get a well-defined picture. The long-range intentions of some of the players are not clear and unfavourable developments in the world economic situation could make attempts to encourage economic development more difficult. However, there is some ground to hope that all of the parties concerned have an interest in maintaining the current equilibrium.

Clearly, in a climate of cautious hope along with an enduring measure of uncertainty, it is to our mutual advantage to keep in close touch on questions affecting events in the Asian and Pacific region. I consider that my current round of talks with Foreign Minister Peacock and his cabinet colleagues serves the useful purpose of expanding this element of our bilateral relationship. As I see it, there is room for greater co-operation in the development of our respective policies towards the Asian and Pacific region and we might well find it beneficial to use our existing links more intensively to do so.

Such co-operation can also stand us in good stead in multilateral fora, and indeed I think we have an excellent record of consultation and co-operation. Perhaps two examples will serve to illustrate this point:

At the Law of the Sea Conference, we are now wrestling with issues that are among the most difficult and the most controversial that the international community has ever faced. As major coastal states with vast continental shelves, Australia and Canada have many interests in common and we share a similar outlook on many of them. Our two delegations have co-operated closely to work for acceptance of new concepts, such as the economic zone, the rights of coastal states with respect to the continental shelf, and the regime that should govern the deep sea bed. Such co-operation has been greatly facilitated by the easy and informal channels of communication that, happily, are so much a part of the fabric of our relations.

We can, and do, draw on this same mutual understanding in connection with another set of crucial negotiations in which our two countries are involved. I am referring, of course, to the Conference on International Economic Co-operation. As you may know, Australia and Canada are represented on different committees, and we work together closely on the many questions that are of fundamental interest to us. In view of the important decisions that face us in CIEC, and my own efforts together with my fellow co-chairman, Dr. Perez Guerrero, to move the dialogue forward, I have found my talks on this subject with Mr. Peacock particularly useful.

I am sure you will agree that Australia and Canada have taken good advantage of their healthy and trouble-free relationship. But I think it is important to avoid being complacent. The world is ever increasing in complexity and even old and trusted partners should be alert to new opportunities that may add to their traditional links.

In the field of trade, for example, we have always been quick to take advantage of one another's markets for an ever-increasing range of goods, from industrial raw materials on the one hand to highly sophisticated manufactures on the other. We have both taken care that the formal framework for this exchange keeps pace with changing conditions so that no opportunities should be lost for even closer commercial relationships. The result, I believe, has been a continued and useful awareness of each other's skills and abilities.

But there is a need for more. I am thinking, for instance, of an increase in the exchange of information on our respective domestic scenes. We have gone through a period when some of our most cherished assumptions concerning economic progress and the need to move to even higher standards of living have been severely tested. Goals and objectives are changing. In response, both our governments are giving a great deal of thought to the direction in which our societies should be moving. Although your and our responses may differ, I think we can learn and perhaps derive inspiration from each other.

Ladies and gentlemen, I have tried to give you some insight into the Canadian view of the relations between Australia and Canada. It has been a pleasure to do so because of the absence of problems between us. But good relationships, like good fences, need constant attention. As I see it, the best way to keep a partnership in good health is to explore actively areas for new and expanded co-operation. I think I may say that I have found a receptive climate for these ideas, and I am sure that we can put them into practice.

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MESSAGE OF CONDOLENCE
SENT TO FOREIGN MINISTER
CHIAO KUAN-HUA OF THE
PEOPLE'S REPUBLIC OF CHINA
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS OF
CANADA, THE HONOURABLE
ALLAN J. MACEachEN,
SEPTEMBER 9, 1976

"DEATH OF MAO TSE-TUNG"

I have learned today with deep regret of the passing of China's great leader, Chairman Mao Tse-tung. He made an unrivalled contribution to the creation of modern China and was one of the truly great figures of our times.

China stood up and assumed its rightful place in the world under Chairman Mao's guidance, and as part of this process, Canada and the People's Republic of China established relations six years ago. Since then contacts between our two countries have grown rapidly while the mutual understanding and sympathy between our peoples have steadily strengthened. Let me assure you of our strong resolve to carry on this process of developing friendly and enduring ties on the foundation built since 1970.

Mao Tse-tung's memory is imperishable and will doubtless act as a profound inspiration to the people and leaders of China in dealing with the challenges of the future. At this moment of loss, I would be grateful if you would convey my personal condolences to Chairman Mao's colleagues and relatives, as well as to the people of China.

Allan J. MacEachen.

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NOTES FOR A STATEMENT
BY THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS OF CANADA,
THE HONOURABLE DON JAMIESON,
AT THE 31ST SESSION OF THE
UNITED NATIONS GENERAL ASSEMBLY,
NEW YORK, SEPTEMBER 29, 1976

Mr. President, in addressing this Assembly for the first time, I am conscious that you have given long and distinguished service to the United Nations. My delegation is confident that your knowledge and wisdom will contribute to the success of our deliberations and pledges its full cooperation to you in carrying out your duties.

May I also welcome the newest member of the United Nations - the Seychelles. Canada looks forward to establishing friendly relations with the people and government of this new Commonwealth country.

I take this opportunity to express to the delegation of China the condolences of the government and people of Canada on the death of Chairman Mao Tse Tung. The world has lost a great man.

This is a time of difficult adjustment for the United Nations.

Our membership, with some notable exceptions, is virtually complete, yet there are pressures to define more strictly the obligations of membership.

Efforts to adapt the procedures and structure of the UN to accommodate new policy priorities introduce new tensions in some traditional bodies and activities.

Agreement on standards and principles of human rights is not matched by an equal determination to implement these standards without discrimination.

The Security Council meets more frequently than before, but there is no comparable increase in the number of agreed resolutions.

Acts of piracy and terror, both within and between states, undermine the principles of international law and behaviour on which the UN Charter is based.

The ideal of greater economic and social equality between nations is still far from translation into practice.

And finally, the choice between anarchy or order on the oceans stands out before us in unmistakable clarity.

Universality

Canada supports the objective of universality of membership. The Charter, it is true, speaks of certain conditions for membership, but my government takes the view that all states which apply for membership ought to be given the benefit of the doubt if such exists. Any question about the degree of independence of such states should be resolved on the basis of the opinion and practice of the majority of member states.

But Canada also believes that a member once admitted to membership should remain a member. We hold that it would be a dangerous precedent to recommend expulsion of a member state on the grounds of violation of the principles of the Charter, unless this is the consensus of the whole membership. To purge this organisation of "unpopular" members could lead to the withdrawal of support by others and the paralysis of our activities. That is too high a price for us to pay.

We also hear threats from time to time to suspend the right of Israel to participate in the General Assembly. Canada would oppose such action. To deprive members of their rights in the General Assembly on grounds not justified by the Charter makes a mockery of the Assembly. Our purpose is to debate the issues, not to stifle them.

Institutional Change

One implication of universality of membership must be a willing acceptance of the obligations of membership, especially by those states which play a major role in the Organisation. A responsible measure of participation in UN activities, especially those voluntary programs which relieve suffering or help to maintain the peace, is a sign of such willingness. As a matter of principle Canada will maintain its full and complete support for all UN organs of which it is a member. We would regret any trend towards the boycotting of UN institutions, or the unilateral reduction of assessed contributions to UN agencies, even though certain of their activities may be regarded by some states as harmful or irregular.

Nevertheless, we believe it is unwise to press resolutions to a vote on issues which deeply divide the membership. Canada regrets for example that the campaign against racial discrimination, on which there is wide consensus, should be associated with Zionism, about which there is profound disagreement. If this link is maintained, my government will not participate in the conference to be held in 1978 on racial discrimination.

The structure of our organisation and the priorities which it follows from time to time must reflect change in the world situation and in the membership. The shift over the years towards economic and social priorities is therefore desirable and understandable. We hope that some restructuring of the economic and social sector of the UN will take place as a result. We see merit in proposals to give a more central role to the Economic and Social Council and for arrangements in the Secretariat designed to support this role. It is not too soon to envisage the Economic and Social Council in permanent session, taking up groups of issues in some orderly fashion and giving close attention to the implementation of decisions taken at UN special conferences. The recommendations of the Habitat conference, for example, of which Canada had the honour to act as host, require thorough and expert scrutiny.

We recognise as well that many members believe the Charter reflects better the world of 1945 than the world of today. We agree that useful changes might be made. But here, as in other matters, the best may be the enemy of the good. Canada takes the view that the present balance of power between the General Assembly and the Security Council, which is the central issue of the Charter reform, is preferable to any alternative. The question of the Council's membership may be debatable, but its powers and structure still serve us well. So too does the principle of equal rights in the General Assembly. If the UN is to evolve gradually into a body capable of making decisions which affect the vital interests of all states, it must follow procedures which give confidence to its members that these interests are secure.

Human Rights

The coming into force this year of the Covenants on Economic, Social and Cultural Rights and on Civil and Political Rights is a major step forward for the UN. As

a member of the Commission on Human Rights, Canada will now direct her efforts principally towards the protection of the rights defined in the Covenants and in the Declaration. One obvious means is to make effective the investigative and appeal mechanisms that are now established. These mechanisms require that states be willing to accept impartial examination of any alleged failures to abide by their commitments. A Court of Human Rights, as proposed by my German colleague, is a step we should consider. None of us have perfect records. To fall short of the aspirations inscribed in the Covenants and the Declaration on Human Rights is not a matter for partisan polemics but for sober assessment.

The obstacles ahead are formidable. Appeals against violations of human rights can be a threat to the legitimacy of some governments and an embarrassment to others. No state is immune to criticism in this regard, although some manage to deflect attention while others become the center of attraction. Canada will speak out to the best of her knowledge without regard for power or favour. We attach particular importance to the full implementation of the terms of the Declaration on Torture which the General Assembly adopted in 1975.

Peace and Security

Our experience with peacekeeping has been different from our experience with human rights. The concepts and principles of UN peacekeeping have been the subject of strong disagreement, whereas the practice has been modestly successful.

Threats to peace and security vary from year to year but we are rarely able to claim that none exist. This year we have been shocked by the continuing loss of life in the Lebanon. The United Nations has not been able to contribute to peacemaking efforts there but should remain ready to respond if the situation so requires.

A few weeks ago Southern Africa was on the verge of disaster. It may still be so. But I am sure we are all encouraged by the developments of recent days. I pay tribute to the patient diplomacy of the Secretary of State of the United States and welcome the apparent change of mind in Pretoria and Salisbury which his efforts may have achieved.

My government agrees that the early independence of both Namibia and Rhodesia on the basis of majority rule and racial harmony is essential to the peace of Africa. It believes as well that South Africa must meet the legitimate political, social and economic demands of the majority of South Africans, supported by the virtually unanimous opinion of this Assembly, if such peace is to endure.

In the Middle East the UN has no choice but to continue the peacekeeping duties authorised by the Security Council. We were encouraged at this time last year by the interim agreement reached between Egypt and Israel on the withdrawal of their forces from Sinai. We look forward to further negotiations which could lead eventually to a peace settlement on the basis of the principles agreed by the Security Council in its Resolution 242, and which would take into account the legitimate concerns and interests of the Palestinian people. Whether negotiations are resumed bilaterally with the help of third party mediation or whether they take place multilaterally in the presence of all the parties directly affected is less important than a joint determination by the states concerned to accept the necessity of establishing and maintaining peaceful relations between them. Pending the achievement of this objective, Canada will continue to contribute to UN peacekeeping operations and will oppose actions or initiatives which imperil the security and independence of states in the area, or make it more difficult for the UN to help in achieving a settlement.

In Cyprus the United Nations Force still faces a difficult situation. The parties to the dispute are no closer to agreement now than before. The situation on the ground remains tense and dangerous. It is generally agreed that the UN Force plays a vital role but the costs of the Force are running \$40 million over the contributions collected. We believe strongly that all member states, in particular the permanent members, should make appropriate contributions to duly authorised UN peacekeeping operations. The fact that only a dozen or so governments have made payments to the UN Special Account for the first six months of this year is not a record of which we can be proud. I can only conclude Mr. President that unless the dispute moves toward settlement soon my government will have to review its position as a troop contributor in Cyprus.

We are concerned as well about continuing acts of terrorism throughout the world and about innocent people who have been threatened or killed.

The General Assembly established a committee four years ago to study both terrorism itself and its underlying causes. The committee came to no conclusions, and the Assembly has not even studied its report. We believe the Assembly should now concentrate on a single aspect of the problem in an effort to achieve concrete results.

I therefore support the proposal of my colleague from the Federal Republic of Germany that priority should be given to action against taking hostages, and that international agreement be reached to ensure the punishment of those who engage in such acts wherever they seek refuge. But we must not forget that conventions against aerial hijacking already exist. If all states were to ratify them we could be more confident that such hijackings would stop.

Mr. President, my predecessor spoke last year of the "totally unsatisfactory rate of progress in achieving disarmament measures" and said that the General Assembly must continue "as a spur to action in the field of disarmament". A year later the record is little better. In the words of our distinguished Secretary General "the problem of armaments continues to present the most serious threat to a peaceful and orderly future for the world community". We should be ready to explore new avenues, and in this spirit my Government is prepared to consider sympathetically a proposal to convene a special session of the General Assembly on disarmament in 1978.

We must not delude ourselves however that the principal obstacles to progress on disarmament will be removed by discussion in this Assembly. These obstacles are the differences of view among states as to the best ways of ensuring their security. Our examination of ways of improving the role of the United Nations in the field of arms control and disarmament will have achieved little unless member countries redouble their efforts to overcome these differences.

At this mid-point in the Disarmament Decade the responsibility to address the real obstacles to progress is shared by all members of this organisation. But this responsibility falls most heavily on the nuclear weapon states and other states of military significance. Progress will be meagre unless we re-examine traditional assumptions, take adequate account of the security concerns of others, and seize all opportunities for concrete action.

Economic and Social Development

All of us acknowledge that the money spent on weapons might be put to better use. Few of us reduce our defence budgets. To do so requires better understanding and mutual confidence. Such understanding and mutual confidence is difficult to achieve in the best of cases and not least in a world divided between wealth and poverty. That is why a common effort to accelerate the process of development and to reduce disparities is in the interest of all states.

UNCTAD IV has now taken place. The Conference on International Economic Cooperation of which my predecessor, Mr. MacEachen, has the honour to be Co-Chairman along with Dr. Perez-Guerrero of Venezuela, has been meeting since the conclusion of last year's General Assembly. It has not been an easy year. The results of UNCTAD IV were achieved with difficulty and the Paris Conference is not assured of success.

Yet, our difficulties should not obscure the fact that we have made significant progress towards agreement on the nature of our agenda and priorities, despite the apparent lack of concrete achievement. If our preparation is thorough, and our approach to it sincere, achievement will be more likely to follow, provided that the requisite political will exists on all sides. It is now my earnest hope that the present phase of the Paris Conference will bear fruit.

The work of the Paris Conference is proceeding in parallel with work in the larger international bodies associated with the UN system. Its participants are aware they must retain a global perspective on the problems before them if non-participants in the Conference are to have confidence in its results, and if these are to influence the actions of governments in the longer term.

The Conference is part of a continuing process of negotiation aimed at narrowing the gap between rich and poor. The process is complex and it is permanent. Old problems will not disappear quickly and new problems will emerge. In the pursuit of a more equitable international economic system Canada is prepared to commit its efforts and its resources.

Law of the Sea

The fifth session of the Law of the Sea Conference ended here in New York a few weeks ago without agreement

except to meet again for a further session in the spring of next year. Significant progress has been made on many issues but the Conference remains deeply divided on other issues to a point where a strong sense of impatience and even despair has set in about the seemingly endless nature of these negotiations.

Canada is strongly committed to the objective of the conference - a new legal order for the oceans based on equity and sound management principles. As a major coastal state Canada is acutely conscious of the inadequacy of the old order, based largely on the concept of freedom of the seas which developed 300 years ago but which has become, with the force of modern technology, license to foul the shores and ravage the fisheries of the oceans. As a Canadian from an Atlantic province - Newfoundland - which is heavily dependent upon the resources of the sea, I wish to leave this Assembly in no doubt about the strength of Canadian concerns on this matter.

Gravely depleted fisheries resources off our coasts led to a decision by Canada to extend our fisheries jurisdiction out to 200 miles, as of January 1, 1977. This action is being taken within the framework of a system of sound conservation and rational management which we have negotiated on a bilateral and regional level with major fishing states operating off the Canadian coast. This action is also consistent with a growing consensus among nations reflected in the provisions of the Single Negotiating Text that emerged from the Law of the Sea Conference last year and which has been confirmed in this year's revised text. Other states, including our immediate neighbours, have taken or announced similar action.

There are positive features and areas of progress in the work of the conference which, I must add, Mr. Chairman, are in significant measure due to your own skillful and tireless efforts as President of the Conference. Although unduly protracted because of differences on a narrowing list of unresolved, hard-core issues, the conference process has seen the emergence of a growing international consensus on a variety of important matters, in addition to the fisheries provisions I have just mentioned. The concept of a 200-mile exclusive economic zone with important coastal state powers has achieved broad acceptance. There is general recognition of the need for special controls against marine pollution in ice covered areas such as the Canadian arctic. The rights of states in respect of the mineral resources of their continental shelves extending out to the continental margin are widely accepted in the conference, although differences remain on the definition of the margin and on proposals for revenue-sharing in areas beyond 200 miles.

A major remaining obstacle to further progress has been the deadlock on the question of mining the rich resources of the deep seabed, beyond the limits of national jurisdiction. On this and other unfinished business we must find internationally agreed solutions to avert a serious risk of conflict, and for the benefit of all mankind. The process may be long and many are weary but we must not flag in the effort to achieve agreement on an overall regime for the oceans at the moment when, finally, success might be within our grasp.

Mr. President, I have spoken about our hopes and disappointments as members of the United Nations. I conclude with the pledge that Canada will continue to be a loyal and, I trust, constructive member. The United Nations suits Canada. We are a country of many peoples and cultures. We understand the meaning of compromise and consensus. We prize the opportunity to cultivate relations with near and distant friends. We remain committed to the purposes and principles of the Charter.

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STATEMENT ON MOTIONS
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE DON JAMIESON,

ON
BOYCOTT POLICY
HOUSE OF COMMONS,
OCTOBER 21, 1976

The Government has clarified its position in relation to international boycotts and has strongly affirmed its opposition to discrimination and boycotts based on race, national or ethnic origin or religion. Accordingly, the Government will take measures to deny its support or facilities for various kinds of trade transactions in order to combat any discriminatory effects which such boycotts may have on Canadian firms and individuals. These measures will not, of course, apply to any boycott accepted by Canada but will clearly apply to such discriminatory aspects as there may be to any other international boycott.

The type of transactions against which the Government will take action are those which would, in connection with the provisions of any boycott, require a Canadian firm to: engage in discrimination based on the race, national or ethnic origin or religion of any Canadian or other individual; refuse to purchase from or sell to any other Canadian firm; refuse to sell Canadian goods to any country; or refrain from purchases from any country.

While Canada seeks friendly relations with Arab states and with Israel, Canada also reserves the right to respond to commercial policies of other nations according to its own practices and values. Consequently, the Canadian Government will deny its support or facilities, including the support of its trade missions abroad, in the case of any transaction involving boycott undertaking of the type described above.

Given that in many parts of the world, including the Middle East, denial of Canadian Government support for a particular transaction imposes very serious handicaps, such as those relating to contact with foreign officials, market information and Canadian Government financing, it is considered that denial of such support will be an effective deterrent to cooperation with discriminatory provisions of an international boycott.

Canadian firms may decide nonetheless to agree to certain boycott clauses and forego Canadian Government support for the projects concerned. All Canadian firms, however, whether they accept boycott clauses or not, will be required to report all instances of their complying with boycott provisions. Information obtained from such reports will be made available to the public.

The Government recognizes that Arab countries consider their boycott of Israel to be a legitimate economic weapon in view of the continuing state of war between Arab countries and Israel. Canada, however, seeks to improve its relations and to develop its trade in peaceful goods with all nations. Any discrimination against Canadian firms or individuals is contrary to Canadian concepts of fairness and the Government is determined to ensure that any such discriminatory aspects are not in any way supported by Government programmes.

STATEMENT DISCOURS

SECRETARY
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EXTÉRIEURES.



MESSAGE TO THE SECRETARY-GENERAL
OF THE UNITED NATIONS,
MR. KURT WALDHEIM
ON THE OCCASION OF UN DAY

On behalf of the Government and people of Canada, I wish to convey to you, and all the staff members of the United Nations and its affiliated organizations, our warmest wishes on the occasion of the thirty-first anniversary of the founding of the United Nations. I would particularly like to express to you our pleasure at having as Secretary-General someone of your experience, ability and humanity.

In the past year, the United Nations has taken significant steps in the areas of human rights, economic justice, and human settlements.

The coming into force this year of the Covenants on Economic, Social and Cultural Rights and on Civil and Political Rights is a major step forward for the United Nations. These long-sought agreements on standards and principles of human rights must now be matched by an equal determination to apply them without discrimination. Canada, as a member of the Commission on Human Rights, will spare no effort in working for the full and effective implementation of the Covenants.

The decisions taken at UNCTAD IV mark an important stage in our common efforts to reduce disparities between developed and developing countries. To carry on dialogue in a world divided between wealth and poverty, better understanding and mutual confidence are essential. The outcome of UNCTAD IV augurs well for such dialogue - which is now being continued at the Conference on International Economic Cooperation of which Canada is co-Chairman. The process of negotiation aimed at narrowing the gap between rich and poor is both permanent and complex. In the pursuit of a more equitable international economic system, Canada is prepared to commit its efforts and its resources.

The United Nations' commitment to improving the quality of life found further expression at the Habitat Conference in Vancouver, of which Canada had the honour of being host. At Habitat, enormous progress was made in improving the understanding of human settlements issues throughout the world. Important recommendations were adopted. Now these must be translated into national and international actions.

This has been a time of adjustment and occasional frustration for the United Nations. During a difficult period, these accomplishments have constituted concrete proof, not only of the validity of the principles embodied in the Charter, but also of the progress being made in their implementation.

I can assure you that Canada attaches importance to the work of the United Nations and will continue to be a loyal and constructive member.

FOR IMMEDIATE RELEASE
NOVEMBER 19, 1976

CHECK AGAINST DELIVERY

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SECRETARY
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NOTES FOR A STATEMENT BY
THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, THE
HONORABLE DON JAMIESON, IN
THE HOUSE OF COMMONS,
OTTAWA, NOVEMBER 19, 1976

"EXTENSION OF FISHERIES ZONE"

I stated in the House on November 5, 1976, that I would be reporting on my recent talks in Paris regarding Canada / France fisheries questions. I propose to do that today but first I think it would be useful to review in a more general way developments relating to the implementation of our 200 mile fisheries zone.

The decision to extend our fisheries zones on the Atlantic and Pacific coasts was taken in light of the urgent need to halt the rapid depletion of our fish stocks and arrest the decline of our inshore fisheries industry, a situation which had reached crisis proportions. The urgent nature of this problem required us to take action before conclusion of the Law of the Sea Conference where fisheries questions are among the many matters being discussed. Nevertheless the new extended jurisdiction is in conformity with the consensus emerging at the Law of the Sea Conference. The principle is now firmly embodied in the Revised Single Negotiating Text that a coastal state has the sovereign right to manage the living resources of the seas in a 200 mile zone adjacent to its shoreline. The main features of the new Canadian regime are based on the relevant provisions of the RSNT.

A number of countries have enacted, or are soon to enact, 200 mile zones including Mexico, Norway, Denmark, France, the U.K., and the U. S. A. Most recently, the Foreign Ministers of the Nine agreed that a European Economic Community 200 mile fisheries zone should be in place as of January 1, 1977. Altogether there are now some 50 states which have already, or will soon establish extended fisheries zones beyond 12 miles, and in many cases, as far as 200 miles.

Thus from the standpoint of both emerging treaty law and cumulative state practice there is a sound basis in international law for the action Canada has taken to protect the living resources in waters contiguous to its shoreline.

Canada has not only acted in accordance with emerging international law but has also made every effort to take into account the interests of those states directly affected by our extended jurisdiction. We have been conscious of the need to avoid disputes with other countries stemming from our new fisheries management regime. For this reason, Canada has taken a number of steps internationally, aimed at achieving a smooth transition to our new 200 mile jurisdiction regime.

Our first priority was to obtain agreement within ICNAF on fishing quotas for the calendar year 1977 which would correspond to Canadian requirements within the 200 mile zone. At Canada's insistence, total allowable catches of stock have been set at levels low enough to ensure rebuilding of threatened species over a period of time. There will be a further meeting of ICNAF in December in Spain to deal with the quotas on a few remaining stocks.

The Commission, at our urging, is in the process of examining the role it might play in future. We have given formal notice of Canada's intention to withdraw from the Convention, as has the U.S.A. I am hopeful, however, that ICNAF can make the necessary adjustment to Canada's exclusive jurisdiction, management and enforcement in the 200 mile zone, and that new arrangements will preserve the long tradition of international cooperation, particularly in the field of scientific research, which has grown up within the Commission. On this basis Canada could continue to play a full and active part in the work of the Commission. After the December meeting, we will be in a better position to assess what our attitude toward ICNAF should be for the coming year.

Our next priority was to negotiate bilateral agreements with those countries which together account for almost 90% of the foreign fishing operations off our coasts. The Government has now concluded an intensive round of bilateral negotiations, and fisheries agreements are now in place with Norway, U.S.S.R., Poland, Spain and Portugal. These agreements set out the terms and conditions that Canada will apply in permitting foreign fishermen, under Canadian management and control, to harvest certain stocks surplus to our needs.

In addition we have required the submission of fishing programs from all members of ICNAF who wish to fish off our coasts in 1977. This information is essential in order to ensure that these projected fishing operations are compatible with the quotas established by ICNAF with Canadian concurrence.

The problems on the Pacific coast are no less important and we are taking the steps which we consider necessary to ensure that Canadian jurisdiction in our new Pacific zone is effective. Our recent bilateral agreements with the U.S.S.R. and Poland cover the Pacific coast and we are engaging in consultations with other countries that have previously fished there.

The Government will also take early action to promulgate an extended fisheries zone in the Arctic. There is no foreign commercial fishing in waters off the Canadian Arctic coast nor are there depleted stocks requiring urgent conservation measures. However, the Government is fully alive to the need to safeguard the fishing interests of the Inuit and to provide for the future development of fisheries in the Arctic area. Consequently the Government has decided to bring into force a 200 mile fisheries zone in the Arctic by March 1, 1977.

I have outlined the steps we have taken to ensure a smooth transition to the 200 mile jurisdiction regime. The response has been encouraging. Nations fishing off our coasts have shown a willingness to adapt to the facts of the resource crisis and to the new legal regime which Canada is bringing in.

I now wish to draw your attention to an important aspect of the notice of Order-In-Council tabled by my colleague, the Minister of Fisheries and the Environment, on November 2, namely, the geographic coordinates defining the fishing zones in which Canada will be exercising jurisdiction. If members agree, I would be prepared to table maps prepared by the Canadian Hydrographic Service illustrating the new zones as prescribed by the coordinates in the Order-In-Council. These coordinates raise maritime boundary implications with neighbouring countries. The Order-In-Council makes express reference to boundary delimitation talks with the U.S., France and Denmark and affirms that the limits of the Canadian fishing zones as defined in the Order are "without prejudice to any negotiations respecting the limits of maritime jurisdiction in such areas;...".

The United States Government has responded to the publication of the Order-In-Council by issuing in the form of a Notice in their Federal Register of November 4, 1976, a list of coordinates defining the lateral limits of its prospective fisheries zone, as well as its continental shelf in the areas adjacent to Canada. In a number of areas these lines differ from the Canadian coordinates. We do not accept these lines and we are so informing the United States Government through diplomatic channels. I am pleased to note however that the U.S. Government has mirrored the approach taken in the Order-In-Council by making it clear in the Federal Register Notice that the coordinates listed therein are without prejudice to any negotiation with Canada or to any positions which may have been or may be adopted respecting the limits of maritime jurisdiction in the boundary areas adjacent to Canada.

During my visit to France, I had the occasion to discuss with the French Foreign Minister our plans for extension of jurisdiction by January 1 in the area off our east coast. At that time precisely, on November 3, the European Community officially announced the decision taken by all member countries to extend their jurisdiction over fisheries to 200 miles by January 1, 1977. While the new management regime will be decided by the Community, the determination of the exact areas to be brought under extended jurisdiction, of course, continues to belong to the individual member countries, and the matter of delimitation of waters off St. Pierre and Miquelon remains a question for Canada and France to work out. What I particularly wished to underline in Paris, and my French colleague was quick to respond favourably, relates to the urgent need for both our countries to put in place by the end of this year interim arrangements in waters close to the French islands. Such arrangements would avoid conflicting fisheries regulations, on matters such as enforcement and licensing. I am confident that as a result of those discussions in Paris, both sides have a keener appreciation of the necessity of early agreement on these arrangements.

Interim arrangements are especially necessary in the absence of agreed maritime boundaries off the coasts of the French islands of St. Pierre and Miquelon. While France has given itself enabling legislation to extend jurisdiction off any of its coasts, there has been no indication to date by France of its intentions regarding the area off St. Pierre and Miquelon. In the preamble to the Order-In-Council extending jurisdiction, we clearly indicated that the establishment of an extended fishing zone is not intended to prejudice ongoing consultations on the delimitation of waters with France, and this matter is also being pursued.

Another important factor in our fisheries relations with France is that the bilateral fisheries agreement concluded in 1972 grants certain rights to French vessels, and in particular, to vessels registered in St. Pierre and Miquelon, in the areas that are now under Canadian jurisdiction, that is, in our 12 mile territorial sea and in the Gulf. These rights, which are not modified by the creation of our new zones, were granted in exchange for the abandonment by France of important treaty rights in extensive areas dating back to the time of French settlement in the area. Similar rights were granted to Canadian vessels off the coast of St. Pierre and Miquelon. We have made very clear to the French that the rights granted to their vessels by this agreement are exclusive to France, and cannot in any way be claimed or exercised by other members of the European Community.

The 1972 bilateral agreement also refers to the possibility of extension by either country. In Article 2, the Agreement states that each country will, in the event of a modification of the areas under its jurisdiction, undertake on the basis of reciprocity to recognize the right of nationals of the other country to continue to fish in the modified areas, under rules and regulations to be applied by the country having jurisdiction, including, in our view, regulations on quotas, licensing and enforcement.

STATEMENT DISCOURS

SECRETARY
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SPEECH BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
DON JAMIESON,
TO THE CANADIAN INSTITUTE
OF INTERNATIONAL AFFAIRS,
TORONTO, DECEMBER 3, 1976

"CANADA'S INTERNATIONAL
RESPONSIBILITIES"

(AS DELIVERED)



Your Excellencies, members of the Institute and distinguished guests -- and I'm not sure when I use the expression "distinguished guests" whether that's a more appropriate definition than "members of the Institute" when I see such distinguished authorities in the field of foreign relations as Mr. Ignatieff, Mr. Holmes and others here at this head table tonight, and others throughout the audience who have had very wide experience and who in addition, I may say, have served Canada extremely well over the years, and whom I'm honoured to have at this table tonight, not only because of their achievements, but also, Your Excellency, because it also illustrates the importance and, I think, the very valuable role which the Institute can play.

The mere fact that it can attract so many people who have not just a casual interest in international affairs but who have had vast experience, such as that of the Ambassador, is really, I am sure, of immense value to you all in the useful work that you're doing -- and I can assure you that it is work for which we, in the Department, have a very high regard. So much so, I suppose, that when it came to two invitations arriving at the same time, one for the Empire Club and one for the Institute and a choice was necessary, I looked at the two and said: This is my first diplomatic choice, and I can't win all the way around; I'll probably do better coming to the Institute than going to the Empire. Those of you who are members of both organizations I hope will understand why I was, in the parlance of the diplomatic state, "tilting" slightly in this direction, probably because I felt that it would be a sympathetic audience, but also, and I may say this in all sincerity, because, of course, for someone like myself it would be extremely difficult if not impossible to turn down an invitation from such a distinguished and outstanding Canadian as His Excellency, Roland Michener.

My problem this evening, apart altogether from being somewhat cowed by the amount of expertise that's present in the room and the number of years of experience when it's related to my few months of experience directly as Foreign Minister, or Secretary of State for External Affairs, is that it is always a problem on occasions such as this to select from among the innumerable number of topics on which I might talk to you this evening those few that perhaps are most relevant and most immediate.

I could, for instance, take all of the time that we have together just simply talking about my recent visit to the Soviet Union and the general reaction that I have and the assessment that I have been able to make, as tentative as it is, of the prospects for détente in the next few months and years as a new administration takes over in the United States. This is going to be a most fascinating experience for all of us, in the international field, to see what now will emerge as a new administration takes over and as a new Secretary of State in the United States, named just this day -- Mr. Vance -- makes his initial impression on the international community.

I could also talk to you almost interminably about Canada's relations with the European Economic Community and what is now starting to develop there as a result of the achievement of the contractual link with the Community. Here, once again, I will simply say that I'm leaving for Brussels later this evening, being there next week for the NATO meetings, but simultaneously attending the opening of the first working session of the Canadian/European Economic Community group. And we have high hopes for this new relationship, but they are hopes that are tempered by reality and which, I have to say, I believe could probably take some time to blossom into the full-fledged kinds of relationship that each side would hope would develop as a result of this unique situation which has come about through the contractual link.

And the Community has many problems of its own, and particularly in terms of additional trading relationships with Canada and developing our economic and financial relations, it is not something which is going to emerge full-blown from the first working meeting. But I think the real achievement here -- for those of us who are interested in international affairs -- is that the European Community, having been established now and having acquired an on-going life which I think, despite precarious adventures which may lie ahead for it, will nevertheless continue, but that community having been established, Canada now has a forum in which it will be possible for us -- which was not the case before -- to come together with those who are making the decisions in Europe and to let them know of Canada's concerns and interests and to have a formalized mechanism through which these observations, these comments back and forth, can be translated first of all into a better mutual understanding and secondly, and probably more important, into increased trade and a closer political kind of alliance that is, in my judgement, essential in the kind of shrinking continent and shrinking world in which we are living.

But I repeat, that is not the subject on which I wish to spend most of my time this evening.

I do want to say a particular word at the outset about Canada's foreign policy in broad terms. The gentleman whom I've mentioned already, as well as many others, laboured over a very long period of time -- a longer period of time even than the forty-six to forty-seven years of the life of this organization -- to evolve for Canada a posture which was different, in the sense that it was Canadian, and which increasingly over time has come to reflect the aspirations, the wishes and the general attitude of the people of this country. And, of course, I suppose there was no greater architect I think we can all say, of that Canadian foreign policy than Mr. Pearson, with whom Mr. Ignatieff worked in the early days of the United Nations. And today we have a foreign policy which I've seen described on many occasions as basically the extension of Canada's domestic policy to the world; in other words, that my responsibility and that of the many thousands who work with me, is to take Canadian goals and objectives and, through foreign policy initiatives and developments, to use

those foreign policy developments to develop and increase the objectives, and to enhance the objectives that we have spelled out for ourselves in Canada.

Now that, of course, is a fairly simple and straightforward definition, and it requires a good deal of elaboration because, first of all, as is very clear to all of us, there is not unanimity within Canada, obviously, as to what our domestic goals and our national objectives are. And perhaps that was never more a subject for serious discussion than it is at this particular time.

Secondly, many of our domestic goals and our aspirations are short-term, and essentially, and perhaps necessarily, subjective. And so therefore, when one talks about translating foreign policy thrusts, foreign policy initiatives, as a method for bolstering national objectives it has to be recognized that there will inevitably be times when, in the foreign policy field, we will be looking much, much longer, in terms of our perspective than is likely to be the case within the country at a given moment.

Similarly, of course, it will always be the case that whatever our foreign policy is and whatever thrusts we may undertake in international affairs, there will always be particular interest groups within Canada who will not be totally in agreement with some aspect of our foreign policy. This may be because of economic reasons. It may be because of ethnic reasons. It can be for a whole range of other reasons including regional ones. And so, therefore, when one is seeking to determine at any given moment in time what foreign policy activities should be undertaken by Canada, it is always important to recognize that, in the words of the old expression, "You can't please all of the people all of the time."

What I'm really saying in essence is that while our domestic policy and our domestic objectives will tend to be fluid, at least superficially, our foreign policy activities have to be of a more stable and long-range nature, and certainly cannot be subject to buffeting on a constant basis by a variety of pressure groups however well-intentioned and however deserving those may be.

And so against that kind of brief comment about the way in which I visualize handling the foreign affairs of this country, let me spend much of my time now by talking to you about the subject that I thought might interest you more than any other, and that is how Canada will behave as a member of the Security Council of the United Nations when we assume our membership on that council on the 1st of January.

It's interesting in this context, by the way, to note that Canada is now taking on its fourth tour on the Security Council. We were there back in Mr. Ignatieff's first tour, I believe, in New York in the first decade of the United Nations, and we have been there in each of the decades since.

During that time the Security Council has suffered its own ups and downs. There was a period when there was very grave doubt and many reservations expressed as to whether or not in fact the Security Council and, by implication, the whole of the United Nations, might have to undergo serious revision in its structures and its mechanism, because it didn't appear to be working. Some of you will remember that back in the late 1950s the Security Council in one year met only five times because of a whole series of events that occurred during that period of the cold war and the tensions between East and West. Well, since that time, slowly but to some extent one can say, satisfactorily, the Security Council has changed its shape and has, in my judgement, become more effective. That doesn't mean that it is a perfect instrument, clearly it falls far short of that; but as against those five meetings that I mentioned in one year, in the first half of 1976, the current year, the Security Council has met some 69 times and indeed, in addition to that, there have been a number of informal sessions of one type and another, so that it can be said with a good deal of accuracy that the Security Council is now almost a continuing body meeting pretty much all the time, and one which has to be seized of the many serious problems which are generating and have generated tensions throughout the world.

For all of these reasons we, in the Government of Canada, thought very seriously this year when it became apparent that our election to the Council for the fourth time was probably going to come about. We had to ask ourselves whether, indeed, it was an appropriate role for Canada and, put very frankly, we had to ask ourselves whether we were prepared to make and to take the hard decisions that I have no doubt will be put in front of us over the next two years of 1977 and '78. I think it is part of the Canadian tradition, and it's a reflection of that tradition that, while we realized the problems that lay ahead, there was not in the last analysis any serious thought on our part that we could allow this opportunity to pass, or this challenge to pass. And so it is that, as of a month from now, Canada will be back on the Security Council.

What, then, are some of the issues that I see coming before the Council in the foreseeable future? Some of them are quite easy to forecast, quite easy to predict.

Undoubtedly, the whole troubled question of Southern Africa will in one form or another find its way to the United Nations in 1977. We, of course, have no way of knowing, any more than any other country has, what is going to emerge from the present round of talks in Geneva on the future of Rhodesia, or Zimbabwe, as it is now coming more and more frequently to be called.

For our part, looking at Southern Africa in total for the moment, we have, of course, consistently rejected and denounced the apartheid policies of South Africa. There has been no waffling, no qualification in that regard. And indeed, Canada was among those countries that urged, and ultimately achieved, the voluntary embargo by a great many nations of any sales of arms or sensitive equipment to South Africa, and we have scrupulously adhered to that policy for many, many years.

Incidentally, there is always room for discussion in responsible groups such as this as to Canadian policy with regard to commercial transactions of a non-sensitive nature with countries with whom we have profound differences on matters of ideology. Up to now, we have taken the position that trade in commercial goods of a non-sensitive nature with South Africa ought to be carried on by private interests if they so wish, and that it is no part of the government's responsibility to put any inhibitions in the way of that type of trade. The same, of course, could very well be said for many other countries where, once again, we are strongly divided between ourselves and those countries on ideological questions. And so, therefore, our position has been that, in the broad terms of commercial activity, it would be virtually impossible for us to set down guidelines or restrictions in terms of how private interests in Canada will be dealing with countries with whom we have these kinds of objections, and South Africa, of course, stands out as the best example of that.

Similarly, in terms of South Africa, we have at the moment a most pressing question in front of us with regard to the whole question of sports activities between teams or participants from Canada and segregated teams from South Africa, whether in that country or with South African teams coming to Canada. Once again, we have taken the position that individual citizens of our country should not be inhibited, or prohibited, in terms of what they wish to do as individuals, but that as the Government of Canada we are discouraging those kinds of exchanges and have determined that we will not provide any form of financial assistance as long as the apartheid policies are maintained. This, of course, has led us and many other countries of the Commonwealth into a somewhat difficult position, as of this moment, with regard to the holding of the Commonwealth Games in Edmonton in 1978.

We have made many efforts already, and I believe with some success, to ensure, and to try at least to have this matter resolved amicably and to ensure, I repeat, that there is the widest possible participation by Commonwealth countries, both black and white, in the Games; and I will be holding further talks in that connection during this trip on which I'm about to embark.

In the broader sense, of course, Southern Africa, as opposed to South Africa, is really more in the news these days because of the Rhodesian situation. And while none of us can, at this time, forecast what will emerge, as I said a moment ago, from the Rhodesian talks in Geneva, there is one thing of which we can be sure, and that is that majority rule will come to Rhodesia and will come sooner than later. And the question, it seems to me, that faces all of those who are either directly involved in the talks or who are in a peripheral role at the moment -- such as Canada -- is whether that transition, which of course we support -- namely, majority rule -- whether that transition to majority rule is going to be brought about in an orderly and peaceful way, or whether it is going to be accompanied by the kind of violence which all too frequently over the post-war years has accompanied

the independence or freedom movement in one country after another not only in Africa but elsewhere in the world.

For my own part, I feel that the black leadership in Rhodesia has a great responsibility to recognize that they now have the opportunity to gain the support of the vast majority of the developed countries, including Canada, including the United States, by moving toward a rational transition, by working for a change which can be brought about with a minimum of disruption and with no bloodshed, hopefully -- even though that may be an unrealistic expectation -- but nevertheless to work for the smoothest possible kind of change. And so the message that I have been conveying through all diplomatic and other channels that are open to us, to the black leadership is to take to heart this important lesson and to demonstrate that they have the maturity and the competence to bring about this desirable change, which we and so many other countries support in the United Nations, in an amicable way.

Now, of course, you have all read, and I'm sure some of you who have a special interest will wonder whether or not any requests or proposals have yet come to us as to the kind of role that Canada might play during the transitional period. The fact is that other than some quite general and, I may say, vague suggestions or comments, nothing has yet emerged of a specific nature for consideration by the Government of Canada. There has been reference, from time to time, as to the possibility of the establishment of a special fund. And incidentally, I should say in passing that much of the publicity in this regard has, I think, been somewhat off the mark, in that there is no suggestion that this fund, if it ever develops, will be used to finance the exodus of white Rhodesians. It is thought of more as a stabilizing fund for the preservation of the economic and political climate in the country which, in fact, will encourage both the white Rhodesians and the black Rhodesians to settle any differences and to go on living amicably together. But I just mention that because there has been quite a bit of misunderstanding about it.

The second point is, of course, that there has been a suggestion that the Commonwealth might well have a role to play. And you may have noted that in my public comments on this question I have said simply that the principle is one with which none of us can really argue, but that we would want to be very clear as to what kind of position a Commonwealth force, be it civilian or military, might be called upon to exercise in a Rhodesian situation in a transitional period. Certainly I would not wish, nor I think would any Canadian wish, to see Canadian forces, for example, used as a buffer between blacks and whites, or to see us once again thrust into a peacekeeping role between people who are genuinely, indeed, anxious to be literally at each other's throats. But nevertheless, if there is a

possibility of a useful rôle for the Commonwealth, Canada will look at it realistically, but so far we have made no commitments on either of those scores.

I notice that as I talk about these subjects I tend to get into, perhaps, more detail than is necessary and therefore cut down on the amount of time that I want to spend on other subjects of equal and perhaps greater importance. So I will simply say, in terms of the Southern African situation, that we're equally as concerned about what is happening in Namibia. It is clear that it is an illegal régime -- a variety of international bodies have made that conclusion -- and that South Africa is going to have to accept that decision and be governed accordingly.

Similarly, we do not, in Canada -- as to the best of my knowledge does any, certainly any developed country--recognize Transkei and that device and technique now being employed by South Africa as an appropriate, or suitable, or effective answer to apartheid. And so therefore it is not our intention, nor do I expect that it will be, that we will give recognition to Transkei as a full-fledged member of the United Nations.

But as I started to say when I talked about the items that are going to come before the Security Council, you can see, just from some of the things that I've said, that the Southern African situation is going to be one of great intricacy and it's going to call for a great deal of skill and in some respects, perhaps, a great deal of courage, on the part of the members of the Security Council, including Canada.

The second area, of course, where we are deeply concerned, for historical and many other reasons, is the Middle East. I don't think it's any secret that matters in the Middle East, except for the tragedy of Lebanon, have been somewhat quiet in recent months for the very simple reason that all of the parties concerned realized that until there was a resolution of the domestic election in the United States, it was highly unlikely that there would be strong initiatives from that quarter. Now the United States' elections have been held. Fortunately, the situation in Lebanon is stabilized -- for however long of course we do not know -- but it is stabilized and there is some grounds for confidence. Therefore, it is my view that negotiations with regard to a permanent settlement in the Middle East should begin at the earliest possible moment, that the situation that presently exists is one which though, as I said, is quiet now, could erupt once again into a very serious danger not only to the peace of the area but to the peace of the world.

Now, I'm not particularly concerned whether the talks are held in Geneva or somewhere else, but it is my intention to call upon all of the parties -- in my official role -- to resume those talks as quickly as possible, and to commit Canada's best efforts to getting them going in a climate which is best designed to bring about a permanent solution. None of us is so naive as to think that that solution will

come easily. But it won't come at all unless there is a commitment and a willingness for all of the parties to get together in a realistic fashion and to face what the complexities are of bringing about a permanent peace.

Insofar as Canada is concerned, our position, with regard to the State of Israel is clear, unequivocal. We subscribe to the United Nations Resolutions which ensure Israel the right to survival behind safe and secure boundaries, and there is no intention, no thought, of changing that position. Furthermore, we believe that a settlement in the Middle East must not only ensure the letter of that United Nations Resolution but the spirit of it as well. And, of course, we're equally determined, as I think every reasonable person is, to see that the Palestinians, the Palestinian people, are also relieved of the terrible crushing burden so many of them have had to suffer for so many years. On humanitarian grounds alone this is surely an essential element in any Middle East solution that must be found. And once again, it is not enough, it seems to me, to argue that it's complicated and complex and that we had best get along with a little patchwork here and a little patchwork there, that there are those hundreds of thousands of people who have rights, which again have been recognized by the world community, and that we must see that as an essential part of the equation and of the solution.

In the interim, of course, Canada has been one of the major contributors to U.N.R.W.A. (the United Nations Organization for Refugees in the Middle East) and only two or three weeks ago I was able to give to the Secretary General of that organization an additional amount of \$300,000 for this year for that purpose. But all of these are what I have called patchwork solutions. I have no doubt that, as members of the United Nations and particularly of the Security Council in this coming year, we in Canada, as with South Africa but perhaps with more visibility, will have to make some very difficult decisions relating to the Middle East. And I have no doubt either that there will be many who will say, as has already been said, that by joining the Security Council, in some way or the other Canada's policy toward the Middle East is going to change in some direction, there's going to be some perceptible shift. Let me reassure you on that point. Our policy will continue to be as I have outlined it and, as you who are students at least of international affairs will know, we have declared it to be for many, many years. But I am also resigned to the very distinct possibility that on this or that particular issue, there are bound to be those in Canada who will disagree with the position taken by Canada. I can only tell you that during my period as Secretary of State for External Affairs, no such decisions, no such votes, no declarations, will be made or taken by us without the most careful analysis and scrutiny of resolutions or actions to ensure that they are consistent with the basic principles that I outlined a few moments ago.

There is much, much more that I could say about the Middle East, but once again time constraints make it impossible. But if Canada, as has happened on two previous occasions, can be in the Security Council and can use its influence to move toward the resolution of the problems of the Middle East, then this will be one of the most satisfying things, I think, not only for those of us who have the active responsibility at a given moment, but also for all Canadians who have had such an intense interest in that area for so many reasons for so many years.

I suppose one of the other questions which is going to occupy us in the Security Council in the United Nations will be the question of the membership in the United Nations of some additional countries. Over the years there has been, of course, a growth in membership to the point where there aren't that many countries that aren't now participants, but there are some, one of them, of course, being the Democratic Republic of Viet-Nam. It is Canada's position that Viet-Nam should be entitled to and should be given membership in the United Nations. We say this because our commitment has been for years to universality. We don't believe that the United Nations ought to be a club made up only of countries that think alike, that in point of fact, exclusions, as we have seen in the past on a number of occasions, simply result in a heightening of tensions in particular regions of the world or between different ideologies of the world. That is why, for instance, for the same reason of universality, we would argue for the retention of South Africa as a member, and we would argue for the retention of Israel as a member.

And so we would also, and will, at the Security Council continue to press for the admission of those countries which are still outside the U.N. even though, I repeat, we may not be even remotely close to agreeing with their ideology or some of their basic political principles. The point is that the U.N. will only work if we are prepared, within that forum, to listen to views and to argue with views with which we disagree, rather than spend our time in a confined club patting each other on the back and telling each other what good boys we are.

Also, in 1977, there are, I have no doubt, likely to be important developments in the whole area of détente and, of course, the companion area of disarmament. For a number of reasons 1976 has not been a particularly productive year for East-West talks relating to disarmament. I think it is fair to say once again that probably the S.A.L.T. talks and some of the others that have been going on in different fora, have suffered as a result of the uncertainty about the future political leadership in the United States as well as, of course, for a variety of other reasons. But in 1977, once again, I think it is incumbent upon us in Canada to call -- as we have already started to do -- on the great powers to undertake a determined effort to ease the tensions which are

inherent in the current arms race. And here, once again, I'm sure you will understand that this is a subject which again could occupy many hours not only of talk but of discussion, but it is sufficient for me to say this evening that to me 1977 is a very crucial year in that vitally important field, not only important in the sense that it heightens the possibility of even inadvertent war, but also important in the sense that it is diverting such scandalously large sums of money into the arms race when so much of the world is in such incredible poverty and need.

And that brings me to the fourth and final area where I believe there will be great need for wisdom and vision in the Security Council in the United Nations in '77 and in the years beyond, and that is in the area that has come to be called the North-South dialogue. This is such a complex subject that it is virtually impossible without the to and fro of questioning and discussion in small groups, to deal with it adequately. But the simple truth of the matter is that we have a situation in the world today -- perhaps brought to a head by the O.P.E.C. country developments -- that we have a situation in which the vast majority of the people of the world, the vast majority of the countries of the world, are in a deplorable condition economically and in every other imaginable way.

It occurred to me the other day, for instance, when I was looking at some statistics, that a simple way to try to convey the scope of the world's poverty is that there are 900 million families -- people rather -- in the world whose income in a year is only half of what a Canadian family with two teenage children receives from family allowances alone. If you can think about it in those terms it gives you some kind of a conception of why we are facing, in the under-developed world, not only a challenge to our magnanimity, but I suggest in a very real sense, a challenge, ultimately, to our survival. Because until we can find a suitable means of sharing more equally not just in the kind of welfare manner of much of the past, but in a way which gives these people in these countries hope for the future, until we can find some means for doing that, then there will invariably be the kinds of mounting suspicion that have led to voting blocs in the United Nations, that have led to, in some measure at least, such repugnant resolutions as the association of Zionism and racism.

All of these things are a reflection, at least in part, of that ferment that is going on in the under-developed world. And so the North-South dialogue is reflected now in the C.I.E.C. Conference in Paris of which my colleague and predecessor, Allan MacEachen, is Co-Chairman. That forum must make progress because, unless it does, unless the developed countries are prepared to demonstrate clearly what they are prepared and willing to do by way of commodity agreements, whatever form they take, by way of debt forgiveness or easing for some of the poorest countries, and in a whole range of other areas,

unless that happens, then, of course, the leverage of essential commodities such as oil, and the O.P.E.C. group, will unquestionably be used against the developed countries in ways which I shudder to contemplate in terms of the potential that they may have eventually for ripping the world literally apart.

And so in the Security Council, once more, Canada is going to have to be wise and judicious and generous, not only in terms of our own people and what they're prepared to do, but in terms of the leadership that we can give to the developed world. All in all, then, it's going to be a busy year, and that's quite a challenge when one takes into account two other factors I want to touch on very briefly.

First, having to deal with a new administration in the United States. I have no great qualms, incidentally, about that prospect, because Canada/United States relations have gone on for so long and are based by and large on such a firm foundation of understanding and mutual awareness of each other, that a change of administration is not going to significantly alter that relationship. But, nevertheless, it is going to be... that we deal with them in as frank and forthright and rapid a manner as we possibly can to avoid them festering into something far more serious.

And finally, of course, those challenges at the United Nations must be coupled not only with our relations with the United States and how we are going to share this continent, but we also have to decide what we're going to do with our own country.

I've said, at the outset that our domestic, our national objectives, are in a sense reflected in our foreign policy and that our foreign policy is designed to shore up and to reinforce our domestic goals. And so, therefore, if our foreign policy is to be credible, if it is to be effective and to be believed, then obviously it follows that our domestic goals and our objectives must be as clear as it is possible for us to make them.

And without going into at great lengths tonight, in a speech essentially on foreign policy matters, I do want to say that I think it is incumbent on all of us to examine carefully all questions relating to national unity, to ask ourselves in all sincerity whether we want to hold this country together--and I believe the answer will be overwhelmingly, "yes" -- and having done that, to determine what are the best means and the best route for us to follow toward that goal. I'm reasonably confident. I always am. But in this case I have a special reason. His Excellency made the comment that my wife and I were native-born Newfoundlanders. We're also the only two people in this room at least who voted twice against becoming Canadians, in the referendum of 1948. So referenda

are not new to us, and we know something of what it's like to have a country--and it was a country, small, but nevertheless our country -- decide to join a larger country -- the reverse of what some people in Canada are talking about now. So, for my part, I was really, and can describe myself, as a Canadian not by birth or even by choice, but one by conversion, and that conversion has been total and absolute.

And I simply want to say this: that as someone who has gone through that unique experience, I haven't the slightest doubt that this country is worth working for, and that it is worth making a very special effort to hold together. And, of course, I hope also that you feel the same way.

So, when I'm in Brussels next week, or Latin America in January, Your Excellency, it will be good to know that there are serious-minded Canadians who are giving careful attention to international matters and who I know I can count on, not necessarily for total approval of Canadian foreign policy, but, more important, for guidance and advice, and perhaps most important of all, encouragement.

Thank you all very much indeed.

FOR IMMEDIATE RELEASE
POUR DIFFUSION IMMÉDIATE

DECEMBER 9, 1976

LE 9 DÉCEMBRE 1976



Commonwealth
Bahamas

STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.

CONGRATULATORY MESSAGE
TO DR. KURT WALDHEIM
UPON REAPPOINTMENT AS
UNITED NATIONS
SECRETARY GENERAL
FROM THE SECRETARY
OF STATE FOR EXTERNAL
AFFAIRS

MESSAGE DE FÉLICITATIONS
DU SECRÉTAIRE D'ÉTAT AUX
AFFAIRES EXTÉRIEURES À
M. KURT WALDHEIM POUR SA
RÉÉLECTION AU POSTE DE
SECRÉTAIRE GÉNÉRAL DES
NATIONS UNIES

The Canadian Government and people join me in extending congratulations upon your reappointment as United Nations Secretary General. As you undertake anew the varied and often onerous tasks associated with the position, be secure in the knowledge that you do so with our collective best wishes for success. Canada looks ahead in particular to a close and beneficial relationship with you during our forthcoming service on the Security Council where your diplomatic skills and professional advice will be highly valued. I am hopeful it will be possible for us to meet early in the new year.

Don Jamieson,
Secretary of State for
External Affairs.

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Le peuple et le Gouvernement du Canada se joignent à moi pour vous féliciter de votre réélection au poste de Secrétaire général des Nations Unies. Au moment où vous vous remettez aux tâches multiples et souvent ingrates qui vous incombent, soyez assuré que nos meilleurs souhaits de réussite vous accompagnent. Le Canada songe en particulier aux rapports étroits et avantageux qu'il entretiendra avec vous au cours de son prochain mandat au Conseil de sécurité où vos talents de diplomate et vos conseils éclairés seront hautement estimés. J'espère enfin qu'il sera possible de nous rencontrer au début de la prochaine année.

Le Secrétaire d'Etat
aux Affaires extérieures,

Don Jamieson

FOR IMMEDIATE RELEASE
DECEMBER 10, 1976

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Government
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NOTES FOR A STATEMENT BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
THE HONOURABLE DON JAMIESON,
ON THE OCCASION OF THE FIRST MEETING
OF THE CANADA/EUROPEAN COMMUNITIES
JOINT COOPERATION COMMITTEE,
DECEMBER 10, 1976



I thank you, Monsieur Ortoli, for your kind words of welcome. It is a great pleasure for me to participate in this important occasion - the inaugural meeting of our Joint Cooperation Committee. I can assure you that I share your appreciation of the approach which should inform and guide those concerned in the implementation of the Agreement which we have put in place with the objective of bringing about increased economic cooperation between Canada and the European Communities. In particular, it is essential that those who, from today, will have the challenge of giving meaning and substance to our declared intentions should set about that task with a sense of realism and purpose.

In signing the Framework Agreement it could be said that both Canada and the Community have entered into uncharted territory. As you have indicated, Monsieur Ortoli, the Agreement represents the first such agreement the European Communities have negotiated with an industrialized country. And Canada has never before negotiated such an agreement. We have therefore neither precedent nor experience as a guide.

What we do start with, however, are wide-ranging and deep-rooted links between Canada and the Europe of the Nine. These links have been and continue to be strong and vital - those of history and ethnic origins, of shared values and traditions, of mutual security, of economic interdependence and of international cooperation. Indeed, it was this reality, these established relationships, which impinged in no small way on the basic review of foreign policy which Canada undertook just a few years ago. One of the major conclusions to emerge from that review was the need to achieve a better balance or equilibrium in our external relations through the diversification of these relations, notably with respect to our external economic interests. Given our links with Europe it was logical in the circumstances for Canada to seek a stronger and more vital economic content to our relationship with Western Europe. Our consequent initiatives to develop our bilateral economic relations with the member states of the community, particularly in the area of industrial cooperation, you are aware of, and, I am pleased to say, they are beginning to show definite results.

It was our mutual recognition of the fact that the Community represented a new dimension to our relationship with Europe which persuaded us that there would also be mutual interest in developing that relationship in conjunction with the cooperation we envisaged with the member states. As part of this process Canadian and Commission officials have developed the practice of holding regular informal consultations on economic issues of mutual interest. These have, appropriately, reflected the major role which both Canada and the Community play in international trade and economic relations as well as our importance to one another.

We can now add to the Canada-Community relationship in a significant way under our new Agreement by using this imaginative framework to bring about a dynamic and mutually beneficial expansion of our commercial and economic connections. Cooperation with the Community collectively will, of course, be pursued by Canada with full appreciation of the interests and competences of the individual member states. In our view these relations should develop both bilaterally and with the Community as a whole so that they reinforce and complement one another.

This is one of the reasons why we consider it important that our joint efforts under the Agreement should be launched with all possible speed. With the signature and ratification of the Agreement we completed phase one which can be considered the preliminary phase of the operation. Inasmuch as today's meeting of the Joint Cooperation Committee will be essentially organizational, we should perhaps regard it as the transitional stage leading to phase two. In our view this next phase should begin as early as possible in the new year so that the Joint Committee can get down to its main purpose, without delay, of bringing about cooperation in practical and effective ways. I think we are in full agreement that to achieve this objective the Committee will need to establish a substructure and *modus operandi* which will enable it to quickly identify priority areas or sectors for cooperation. At the same time the organizational framework must be conducive to bringing together appropriate elements of our respective business communities in a close working relationship. In the end, it is their response to the work which will be undertaken by the Joint Committee which will be of utmost importance to achieving results. I would underline here that our respective authorities will not be seeking to employ the Agreement as a means of developing an interventionist approach. In our sort of economic systems that would not be appropriate and that is not our intention. Instead, in selected areas, we shall be trying to promote economic and commercial cooperation and to foster an environment conducive to industrial cooperation in particular. In short, while government will take as active a role as it can, given our economic system it is clear that much will depend on the private sector. In particular it will depend on the readiness of the private sector to respond to what I would call catalytic action on the part of government. That is, business must be ready to seize the opportunities which emerge from a process in which they will, of course, have been closely involved.

On the Canadian side, we are also very much aware that effective implementation of the Agreement will often require the involvement and cooperation of our provincial governments. This is something we shall want to ensure and we shall, of course, make appropriate arrangements to associate our provincial authorities in the process of implementation. Our provinces, I am pleased to say, have expressed keen interest in and support

for federal government initiatives in Europe. This applies particularly to what is envisaged under the Canada-Community Agreement.

The proposed work programme for the Joint Committee which officials will consider later seems to provide a well-blended menu. I am aware that some useful preliminary work has already begun in areas such as non-ferrous metals and forest products and that there have been exchanges of missions between us in these sectors. These are of obvious interest to both sides as indeed are other proposed items such as cooperation involving the telecommunications, construction and nuclear/uranium industries. As a Canadian from a region where the fisheries industry is a vital part of the economy I am naturally happy, as well as intrigued, that the possibility of fisheries cooperation will also be explored and I look forward to learning of what opportunities may exist for commercial and economic cooperation in this field.

In setting in motion whatever work programme is agreed upon today it is my hope that the Committee will apply the tests of pragmatism and realism to its deliberations. Neither side has suggested at any time that the Agreement would be some kind of panacea, that it could transform our economic relationship overnight, but we must guard against over-optimism without lessening our determination to succeed. I share your view, therefore, that in the first year or so the efforts of the Committee should be directed primarily towards a limited number of areas. This will by no means reduce the effort required of those involved and that should not be underestimated. But if it is well directed the work of the first two years will put in place the most important building block and permit us to move pragmatically from what may well be modest beginnings to more ambitious forms of cooperation. If we proceed in this way I am confident that there will be success down the road.

In closing, may I express to you, Monsieur Ortoli, and to your good colleague Sir Christopher Soames, our appreciation for the personal support which you have always given to our joint efforts to develop a closer and more vigorous economic relationship between Canada and the Community. You may be sure that we have been highly conscious of the cooperation and the constructive spirit you have brought to our relations. Thank you.

STATEMENT DISCOURS

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STATEMENT ON MOTIONS
BY THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, THE HONOURABLE
DON JAMIESON, IN THE HOUSE OF
COMMONS, DECEMBER 22, 1976



Mr. Speaker,

I wish to announce a change in Canada's nuclear export policy, a matter of central concern to the people and Government of Canada, raising as it does fundamental issues affecting world economic growth and world peace. In this Christmas season, our thoughts naturally turn to peace and the brotherhood of man. It is easy to pay tribute to these fundamental goals with words. It is more important that we do so with our actions. It is a challenge to the Government of Canada to respond to the demand of Canadian public opinion that this country exercise its influence towards the betterment of the global society in which we and our descendants must live. In the area of nuclear policy there is no simple answer or it would have long since been adopted. It is rather the need to balance energy requirements, the advance of technology which regardless of what we do will make nuclear capability within the reach of the wider and wider group of countries and the need to establish a sound international framework which will curb the spread of nuclear weapons and yet take into account the legitimate economic aspirations of sovereign states. I wish to make quite clear, however, that the first priority, indeed the overriding priority, is to prevent the spread of instruments of destruction.

In this context, I am pleased to announce that the Canadian Government has decided upon a further strengthening of the safeguards requirements which apply to the export of Canadian reactors and uranium. Shipments to non-nuclear weapon states under future contracts will be restricted to those which ratify the

Non-Proliferation Treaty or otherwise accept international safeguards on their entire nuclear programme. It follows from this policy that Canada will terminate nuclear shipments to any non-nuclear weapon state which explodes a nuclear device.

This requirement is in addition to those outlined in December of 1974. The purpose of Canadian safeguards policy is simple and straightforward. We wish to avoid contributing to the proliferation of nuclear weapons while at the same time satisfying the legitimate requirements for uranium and technology of countries which demonstrate the intention of restricting Canadian assistance only to peaceful non-explosive uses. Nuclear export policy already requires binding assurances that what Canada provides will not be used for explosive purposes. Existing policy, however, does not cover what a country receives from other suppliers or what it might do on its own. The new policy will close this gap. We will have, therefore, assurance by treaty that Canada's nuclear customers will have been selected from amongst those countries which have made a clear and unequivocal commitment to the non-proliferation of nuclear weapons.

The development of the CANDU reactor has been one of Canada's great technological achievements. This technology is needed to reduce the world's dependence on oil. Moreover, our industrialized trading partners look to Canada as a source of uranium to fuel the nuclear reactor programmes which they, like ourselves, have undertaken to meet a growing share of energy needs. In the absence of alternative technologies, developing countries will also look to nuclear power once they have exploited

other conventional energy resources and have built up the national power grids necessary for large present reactors. While research into conservation and renewable energy technologies should be intensified, energy planning in Canada and elsewhere must look to energy resources presently available.

While the Canadian Government recognizes the legitimate energy requirements of its trading partners, it is determined to do everything within its power to avoid contributing to nuclear weapons proliferation. It is for this reason that the Government of Canada has unilaterally decided to strengthen further Canada's safeguards requirements. As in the past we are prepared to accept the commercial consequences of being clearly ahead of other suppliers. This is the price we are prepared to pay to curb the threat to mankind of nuclear proliferation.

We recognize that for this policy to be fully effective, we must persuade other nuclear suppliers to adopt similar export policies. In discussions amongst suppliers, we have urged that a collective decision be taken to restrict their nuclear exports to non-nuclear weapon states to those which have ratified the Non-Proliferation Treaty or otherwise accept full-scope safeguards. We regret that to date it has not been possible to reach a collective decision to this effect. Canada, however, is determined to assume responsibility where it has the power to act, that is, with regard to Canada's own exports of nuclear equipment, technology and uranium. We are charting a course which we hope will serve as a compelling example for other nuclear suppliers.

With this announcement I am calling on other nuclear exporters to review their own export policies, not in the light of commercial gain but in the interests of maintaining a safe and secure world.

NOT FOR PUBLICATION BEFORE
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NOTES FOR A SPEECH TO BE GIVEN
BY THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
THE HONOURABLE DON JAMIESON,
AT A DINNER GIVEN IN HIS HONOUR BY THE
FOREIGN MINISTER OF BRAZIL,
HIS EXCELLENCY, SR ANTONIO FRANCISCO
AZEREDO DA SILVEIRA,
ON JANUARY 12, 1977

Your Excellency, Senhora Silveira, Ladies & Gentlemen,

I should like to thank you, Your Excellency, for your kind words of welcome, your gracious remarks about my country and your very flattering references to me. I must say flattering, when I consider your own distinguished career, both as a diplomat and, for the last three years, as Minister. Under the leadership of your distinguished President you are successfully pursuing a foreign policy that bears many resemblances to that of my own country. You have, by enlarging the horizons of your foreign relations, strengthened Brazil's position in the world and opened up new markets for Brazilian products. I have also appreciated your words of praise for Canadian-Brazilian relations and I must say the warm hospitality we have received since we first arrived on Brazilian soil has been for us a concrete indication of the seriousness of your views.

I have with me as well senior representatives of my own Department, the Department of External Affairs, the Department of Industry, Trade and Commerce. I have brought with me a very senior delegation composed of representatives of Parliament, of business and of several government departments. Members of the media have accompanied us to report on the results we expect to achieve. I have with me, Mr. Marcel Prud'homme, Chairman of the Committee on External Affairs and National Defence of the House of Commons; Mr. Duncan Campbell, President of the Brazil-Canada Chamber of Commerce and Vice-President of the Aluminum Company of Canada; Mr. Gary German, Chairman of the Executive Council of the Canadian Association for Latin American and Special Assistant to the Executive Vice-President of Noranda Mines Limited; Mr. Lou Bourgeois, General Manager of the Brazil-Canada Chamber of Commerce; and Mr. Frank Clark, Executive Director of the Canadian Association for Latin America. I have with me as well senior representatives of the Department of Industry, Trade & Commerce, the Canadian International Development Agency, the Department of Agriculture, the Department of Finance and the Export Development Corporation of Canada.

I have brought a delegation representing such a wide range of interests because we are earnest in our desire to develop closer relations with you. I hope that through the discussions that I and my officials will have with you, we will be able to understand each other's interests, needs and capacities better and to work out concrete new areas in which we can cooperate. For I consider that, while the substance of Canadian-Brazilian relations is significant,

their potential is far larger. The reason why I believe that there is this potential is the great complementarity that exists between our two countries, a complementarity arising out of the many areas in which we can balance and support each other. Indeed, there are some important parallels between us: parallels in our history, parallels in our positions in the hemisphere, parallels in our economic needs and parallels in our great futures.

To begin with, I suppose I might mention that my native province, Newfoundland, was almost called Brazil. For it was in 1481, eleven years before the epic voyage of Columbus, according to the latest historical research, that the men of Devon, that small corner of England that has produced so many of the settlers of my province, first sailed across the Atlantic and discovered Newfoundland. They named their find Brazil. If it had not been for the accident of history that John Cabot, on his voyage to Newfoundland in 1497, thought that he had discovered the island and so named it Newfoundland or Terra Nova, the name Brazil might not have been available, when Pedro Cabral discovered your magnificent country in 1500. So you see that, from the first, the histories of our two countries have been at least nominally entwined. I could add other examples from the history of the early days of our two countries. It is not these isolated facts of history that interest me most, however, but rather the similarity in our patterns of development and the similarity in the results to which I wish to draw your attention.

Canada and Brazil, alone of all the great countries of the Americas, have been able to achieve their independence without the horrors of civil war, and the consequent disruption of the cultural ties with Europe that have often accompanied nationhood in other parts of our hemisphere. Because we both have throughout our history drawn on Europe as well as America we both have been able to develop societies that stand out in many ways from those in the rest of the hemisphere. Canada has been immeasurably helped in this process by the fact that it possesses not one but two major languages, which have allowed it to take advantage of the experience and the richness of two European cultures. Out of this wealth of influences we have sought to take the best, whatever the source, and adapt it to the Canadian experience:

-- Our constitution reflects this. While we are a federation like Brazil and many other countries of the hemisphere, we also have one of the few parliamentary systems in the hemisphere.

-- Our economic system also reflects this. We have a mixed economy in which both private and public companies exist side by side. We have established the Foreign Investment Review Agency which examines proposals for new foreign investment or foreign acquisition of existing Canadian firms to ensure that the investment or acquisition can be shown to be of significant benefit to Canada. We are now trying to channel foreign investment so as to derive the greatest benefit from it. We have established the Foreign Investment Review Agency which allows new foreign investment or foreign acquisition of existing Canadian firms only where the investment or acquisition can be shown to be of significant benefit to Canada.

-- We have been inspired by European examples in drawing up our extensive social welfare system and have pioneered some schemes of our own. I must add that I have been impressed by what I have heard of the way in which the Brazilian government has used its pension fund to build housing for the less fortunate.

-- We have drawn on both European and American examples in the extensive assistance we give to both education and culture.

While we have greatly benefitted from the diversity of influences available to us, we have been only able to draw on these sources and maintain the country open to the winds of change that are sweeping the planet, because of our commitment to the principles of an open society. Our deeply rooted respect for democratic freedoms and human rights has also been for us a means of dealing most effectively with the linguistic, cultural, regional and social differences within Canada. I would be less than frank with you if I did not admit that it has not always been easy for us to maintain these principles. We have suffered from the stresses and strains that have arisen from the accelerated pace of history in our time. Nevertheless, we are firmly of the belief that the open society, with all the risks that it entails, is in the long run the only way of successfully achieving change in stability, as well as unity and prosperity.

We now have in power in one of our provinces, Quebec, a government that advocates its separation from the rest of Canada. As a member of the Government of Canada, I want to assure you we are confident the country will remain together. Canada has been in existence now as a confederation for over 100 years, and this is not the first threat we have faced. Canada has a genius for compromise in the best sense of the word. For this reason, I am certain that this most recent threat to Confederation will be resolved as well.

So far in my remarks I have described the political and cultural parallels in the pattern of development of our two countries. I have however neglected an area in which the parallels are perhaps the most striking, that is in our patterns of economic development. In both countries we have faced the problem of attempting to develop with inadequate financial resources, and an often hostile nature, enormous territories enclosing substantial wealth. To do this we have responded in a similar manner. We both have had to develop or acquire the organization, the technology, and the infrastructure necessary to open up our vast territories and to realize their potential in hydroelectric power, in raw materials, and in agriculture.

If the problems we face in developing show strong parallels, so too do the results: We have both expanded to become, not merely countries but subcontinents in our size. You are larger than the continental United States; we are second only to the Soviet Union. We are both lands of the future. You, with your vast expanses and your population of 110 million, are surely destined to become one of the world's great powers. We, although we can claim a population less than a quarter of yours, have nevertheless achieved a gross national product comparable to those of many of the major industrial powers of Western Europe.

Because of our particular historical evolutions moreover, we both have established a well developed network of relations outside the Western Hemisphere.

Because of the many parallels in our development and our present situation we have managed to achieve an appreciable degree of cooperation in many areas. Our extensive geography and long coastlines have brought us to work together closely at the Law of the Sea Conferences. Our dual position as industrialized countries and as exporters of raw materials have permitted us to cooperate closely together at the United Nations and at the Conference on International Economic Cooperation in the continuing dialogue on a new economic order. Most important of all, there has been close and rewarding economic cooperation in the past 80 years. Today there is a greater concentration of Canadian investment in Brazil than anywhere else abroad apart from the United States. We are your fifth most important suppliers of investment capital. Canadian investments in Brazil amount to one billion dollars; while Canadian

banks have lent a further billion. Within the Western Hemisphere we each are one of the other's most important trading partners.

Although we have achieved appreciable results up until now, I consider that the potential for our relations remains far greater. We intend to develop that potential, for we attach a high priority to our relations with Brazil.

We are at present engaged in an effort to balance the rich and extensive relations we enjoy with the United States by intensifying and enlarging our economic and political contacts with the other major regions of the world. We recently have undertaken important steps with the European Economic Community and Japan, steps that, I believe, will allow us better to reach our capacity for growth. Latin America and, in particular, Brazil, is, for us, a third area with which we wish to cooperate in the pursuit of substantial and mutually beneficial development.

Since we took the decision in 1970 to strengthen our links with the other countries of the Western Hemisphere, we have appointed an Ambassador as Permanent Observer to the Organization of American States, we have become members of the Inter-American Development Bank, we have finished joining all the significant specialized agencies of the OAS, we have provided financial assistance to the Andean Pact, we have offered to collaborate in the technical development projects of SELA and we have established a number of bilateral cooperation programs throughout the area.

Within the western hemisphere, I can assure you that there is no country more important for us, apart from the United States, than Brazil, and the further we look into the future, the larger this vast country looms in our minds. Since the visit here in the autumn of 1974 of the then Minister of Industry, Trade and Commerce, Mr. Alastair Gillespie, we have attempted to pursue our interest in closer relations with you with increased vigour, this was particularly evident last year. In March and then again in November, the President of the Canadian International Development Agency visited here to see how our new assistance strategy for cooperating with countries lying between the industrialized and developing world could apply in Brazil. Through this strategy, which is based on the principle of cooperation between equal partners, we hope among other things to promote cooperation in science and technology, and joint ventures between firms of equal size. I might add incidentally that we have committed ourselves to spend around 18 millions in Brazil in conventional forms of developmental cooperation between now and 1981.

In June, we concluded the agreement to establish a Joint Committee on Trade and Economic Matters. In September our Minister of Agriculture Eugene Whelan visited here to discuss cooperation in agricultural technology. In November, the first meeting of the Joint Economic Committee was held in Ottawa. Now I am pleased to come here at the head of a delegation representing several government departments to build on these efforts and to prepare for future visits and I can assure you we shall not let up.

We have always looked upon Brazil as one of our major interlocutors as we have progressively become more engaged in hemispheric affairs. Our own separate political traditions, which are so different from those of most of the other members of the hemisphere, have given us an understanding of the special position occupied by Brazil in the Inter-American system. If we look at you outside the framework of the western hemisphere and in the broader context of the world at large, we see in you a country that is very much a part of the west, but one whose pattern of development allows it to understand the aspirations of the third world.

We too are well-positioned to appreciate the aspirations of developing nations to attain a more rapid transfer of real resources and accelerate their pace of development. As the co-chairman for the industrialized nations at the Conference on International Cooperation, in which Brazil too is an important participant, we have been working strenuously and closely with Sr Perez Guerrero of Venezuela to bridge the gap that at present divides the developed and developing countries.

I have been struck recently by the extent to which the discussions at the Conference between developed and developing countries on commodities as well as on other issues central to the north-south dialogue have become rhetorical. It concerns me deeply that we do not yet seem to be able to make significant progress on these key issues. It does seem to me that countries like Canada and Brazil can, particularly in the area of commodities, contribute in a pragmatic way toward finding solutions that meet the needs of developed and developing alike.

In some commodities our exports make up a significant portion of total world trade. For example, in the case of iron ore, exports from our two countries amounted to about 23% of world iron ore trade in 1974. For colombium concentrates Brazilian and Canadian exports constituted

approximately 75% of world trade in 1974. Each of us also exports significant amounts of other commodities, for example, in Canada's case, copper, nickel, uranium, and lead and zinc. Yet Canada also is dependent on imports of other key commodities such as petroleum and tropical products, including coffee. Thus we can understand the need for having commodity arrangements for specific resources which meet the needs of consuming, as well as of producing countries.

We also want to work closely with you in bringing to a rapid and successful conclusion the Multilateral Trade Negotiations in Geneva. Canada, as a major world trader, regards these negotiations as being of critical importance. We are very conscious of the special role Brazil is attempting to play in these negotiations in order to ensure a satisfactory outcome for the developing countries. You will be aware as well of the initiative taken by Canada in proposing a complementary negotiating technique known as the sector approach which is designed to assist resource exporting countries, both developing and developed, in obtaining better opportunities to produce and market abroad some highly processed resource products, as well as raw materials, and thus to create a greater degree of industrial activity and employment in our domestic markets. I would strongly hope for Brazilian support for this initiative.

This is not all. We wish to continue our close collaboration with you on Law of the Sea questions. We wish to develop our nascent dialogue on African affairs. We are well aware of the close relations you have been able to establish with the African states, in particular with the Portuguese-speaking countries, and we wish to know your views.

Because of the close complementarity between our economies it is in economic affairs that there is the greatest potential for cooperation between us and especially between the private sectors of our two countries. Due to our own pattern of development, we are world leaders in many of the areas that are now important for the expansion of your economy: in telecommunications and railways, in airport construction, in aircraft engines and short takeoff and landing aeroplanes, in hydroelectric generators and long distance power transmission. I hope to deal with this aspect of our relations in greater detail in my visit to Sao Paulo and Rio where I expect to meet business leaders.

What is necessary is to ensure that the enormous potential for economic cooperation between us is better known. We have participated, and we shall continue to participate, in your trade fairs: During the past year we have held a joint Railway Symposium in Rio de Janeiro, a joint Airport Symposium in Sao Paulo and we took part in the Porto Alegre Agricultural Show. We shall continue to send ministerial missions. We shall also be active in the cultural field. Our pianist Arthur Ozolins was one of the attractions of the Sao Paulo Air Force Week. The Canadian guitarist Liona Boyd is touring Brazil right now. Later this year, I am happy to announce, the Grands Ballets Canadiens will visit this country. We are even doing something with you in Sports. As you may know a Canadian Lady Jockey rode the winner in the 1976 World Championship at the Sao Paulo Jockey Club. One day we may even meet you on the soccer field.

We recognize the efforts you are making to make us further aware of your potential. I look forward at a suitable moment to your visit to Canada, your Excellency, as well as to those of the Minister of Industry and Commerce Sr Severo Gomes, and your Minister of Agriculture Sr Alysson Paulinelli. We welcome the recent opening in Toronto of the offices of two Brazilian banks. We believe that these visits and related developments will contribute to a further strengthening of your political, commercial and financial interests in Canada.

Even if we are fully aware of the great potential that exists for cooperation between us, it is of little importance unless our respective economic policies take into account our mutual interests.

We fully understand your industrialization policy and we are making every effort to adapt to it. We recognize in particular that many Canadian firms doing business in Brazil must gradually shift their emphasis from selling to a greater involvement in the development of the Brazilian economy through technical, industrial and financial cooperation with Brazilian companies.

In order to finance such projects, the Canadian Export Development Corporation has been and will continue to be ready to provide short and medium term insurance, as well as long term financing and insurance for Canadian investments abroad. At present it has committed \$183 million to Brazil.

We do not expect our cooperation to be only in one direction. The Canadian Market remains one of the most open in the world and we are prepared in the Multilateral Trade Negotiations to agree to further liberalization. Moreover our General Preference Scheme provides special tariffs on a wide range of your goods.

We hope that, on your side, you will take our interests into account in developing your economic policies. We hope that you will help us adapt to the new reality of cooperative ventures with Brazilian companies. We hope that you will encourage Canadian consulting firms to contribute their experience and their technology to the development of your vast frontier.

We intend to pursue these economic themes further in our discussions with your business leaders in Sao Paulo and Rio. Here in Brasilia we are looking forward to discussions with you on the ways in which we can develop the whole range of our bilateral relations, both political and economic.

If we bear in mind our mutual interests and if we become fully aware of each other's capacities, we can do great things together, for in our similarities and our differences, we balance each other admirably. The principal purpose of this visit is to tell you that we are willing to make the effort.

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11:15 HOURS, JANUARY 14, 1977
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NOTES FOR A SPEECH TO BE
PRESENTED BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE DON JAMIESON,
AT A LUNCHEON GIVEN IN HIS HONOUR BY THE
BRAZIL-CANADA CHAMBER OF COMMERCE
IN SAO PAULO ON JANUARY 14TH, 1977

Mr. Chairman, Ladies and Gentlemen:

I am deeply honoured by the invitation to address this most prestigious group, a group that holds in its hands many of the major strands of our bilateral relations. We regard the Câmara de Comércio Brasil-Canada, like its Canadian counterpart, as a most important organization and one with which we are happy to cooperate in expanding the ties between our two countries.

Because of the key role that the two Chambers of Commerce play, I have been glad to have with me on this trip Mr. Duncan Campbell, the President of the Brazil-Canada Chamber of Commerce and the Vice-President of the Aluminum Company of Canada; and Mr. Lou Bourgeois, the General Manager of the Brazil-Canada Chamber of Commerce. I have brought in addition, two other business representatives, Mr. Gary German, the Chairman of the Executive Council of the Canadian Association for Latin America and the Special Assistant to the Executive Vice-President of Noranda Mines Limited, and Mr. Frank Clark, the Executive Director of the Canadian Association for Latin America. I also have with me Mr. Marcel Prud'homme, the Chairman of the Committee on External Affairs and National Defence of the House of Commons as well as senior representatives of my own department and of the Department of Industry, Trade & Commerce, the Canadian International Development Agency, the Department of Agriculture, and the Export Development Corporation of Canada.

I am also glad to be here in Sao Paulo, which as a city and a state, is not only the industrial, commercial and agricultural centre of Brazil, but has been the focus of so many of our joint endeavours over the past 80 years.

This city is but the latest stage on my journey through your impressive country. I have been to Manaus in the heart of the Amazon basin where a new Brazil is being carved out of the wilderness. I have admired the striking modernity of your capital Brasilia, the city in which economic guidelines and the targets for this country are decided. Now I find myself in this overwhelming metropolis, which contains a population equal to that of half of my country, and which provides so much of the drive behind the expansion of this country.

The purpose of my visit to Brasilia as well as here is of course not tourism. I came here to seek ways of broadening our relations. In particular I wished to see how we can expand our trade and economic relations, I wanted to explore the possibilities of cooperation with you on an equal basis in the industrial, scientific and technological fields. I hoped to discuss questions related to the North-South dialogue and a new international economic order with a country that has exercised a significant moderating influence. Similarly I wanted to review with your government progress in the Multilateral Trade Negotiations in Geneva and to discuss ways in which resource exporting countries like Canada and Brazil can gain substantial benefits. I wished to consult on Law of the Sea matters with a close ally. I finally wanted to consider inter-American questions with a fellow American state whose views we value.

The results of my visit to Brasilia to my mind have been impressive. We have concluded a certain number of agreements. More important, however, we have reached a deeper degree of understanding of each other's points of view, and hence, of our mutual interests, in a wide range of areas, both political and economic. I think it is fair to say we have set the stage for further progress in the future.

The aim of my visit to Sao Paulo, as well as to Rio, is to see how we can strengthen our commercial relations. I am certain that my visits here will justify, just as much as did my stay in Brasilia, the high expectations we had formed before our trip.

You should know that we attach a high priority to our relations with Brazil. In fact, there is no country in Latin America that is more important to us than you. We consider that we have much to offer each other, both because of the tremendous potential of our two countries, and, also, because of the similarity of our patterns of economic development.

We like you, stand before a great future. Together we constitute two out of the leading industrial powers of the hemisphere. You, with your gigantic size and your population of 110 million, are surely destined to become one of the major powers of the world. We, with a population of less than a quarter of yours, have already managed to achieve a Gross National Product that is approaching some of the major industrial countries of Western Europe.

Both you and we, have, throughout our modern history, faced the problem of developing, with inadequate financial resources, relatively small domestic markets and an often hostile nature, enormous territory enclosing an often unfathomable potential. To do this, we have responded in a similar manner. We both have developed or acquired the organization, the technology and the infrastructure necessary to open up our vast virgin territories and to realize their potential in hydro-electric power, in raw materials and in agriculture.

Because of the similarity of our patterns of economic development, it is, to my mind, no accident that we should have become closely involved economically over the last 80 years, that so many Canadian companies such as Brascan, Massey-Ferguson, Alcan, Moore Business Forms, Noranda, MacMillan Bloedel, Dominion Engineering Works and Royal Bank of Canada, should have become so much a part of Brazilian life. In each case, the organization skills and the technology that had been worked out for the development of our economy could be directly applied to the development of yours.

Today, our economic relations are substantial. Canada has more money invested in Brazil than in any other country save the United States. Canadian investments in Brazil amount to around one billion dollars. Canadian banks have lent a further billion. Canada is Brazil's fifth largest source of capital; within the Western hemisphere we each are one of the other's most important trading partners. Our trade is roughly in balance with a slight surplus for us, if we do not include shipping services, but a slight edge for you, if we do.

Our trade is in rough balance in more than one way, for we exchange both industrial goods and primary products. We supply you with wheat, potash, newsprint, cattle, aluminium ingots, aircraft engines, motor vehicle parts, hydroelectric turbines, and other industrial machinery. By the way, your magnificent Bandeirante aeroplane, in which I had the pleasure of flying this morning from Virocopos Airport to Congonhas Airport, is powered with Canadian Pratt and Whitney engines. You supply us with motor vehicle engines, by far the leading item among your exports, as well as green coffee, iron ore, orange juice, footwear and clothing. In essence, in its balance of value and structure, our commerce is a trade between equals.

In order to promote closer economic relations between Canada and Brazil our objective should be, on the one hand, to encourage cooperation between Canadian and

Brazilian producers and manufacturers, while at the same time, to ensure that our policies designed to promote economic growth take into account our mutual interests. Both of these objectives, I can assure you, we intend to pursue.

In order to promote closer cooperation between our private sectors, we wish to be able to relate your requirements to our capabilities in the manufacturing and engineering fields. For because of the similarity of our patterns of development our companies are world leaders in the technology and the equipment that you will require in many areas for the development of your economy and your economic infrastructure. Our companies can work together with yours, in constructing your hydro-electric dams, in supplying your generators, and then in building your long distance transmission lines. They can cooperate in expanding your airports and then in providing aircraft and engines adapted to the rigours of the frontier, such as our short take off and landing aeroplanes. They are ready to collaborate with yours in extending your network of railways ever further into new territory, in widening your telecommunications network, in enlarging your urban transport systems, in developing your agriculture and in erecting your pulp and paper mills. They are willing to cooperate in exploring for natural resources, whether minerals or oil, whether on the land or under the sea, in extracting them, and then in refining them. In all these areas, and others, we consider there is a considerable potential for cooperation, precisely because our problems of economic development are so similar, and also, because of the relatively similar size of our economies, we can cooperate as equals.

What is necessary is to ensure that the enormous possibilities for economic cooperation between us is better known. We have participated and we shall continue to participate in your trade fairs. During the past year we have held a joint Railway Symposium in Rio de Janeiro, a joint Airport Symposium in Sao Paulo, and we took part in the Porto Alegre Agricultural Show. We shall continue to send ministerial missions.

We are looking forward at mutually convenient times to the visits of your Foreign Minister, Sr Azeredo da Silveira, your Minister of Industry and Commerce, Sr Severo Gomes, and your Minister of Agriculture Sr Alysson Paulinelli. We welcome the recent opening in Toronto of the offices of two Brazilian banks. We believe that these visits and related developments will contribute to a further strengthening of your political, commercial and financial interests in Canada.

I must add a special word of praise for the work that the two Chambers of Commerce have done in making the private sectors in each country aware of the other's capacities. Nothing can equal the network of contacts and the exchange of knowledge that you have encouraged.

Even if we are fully aware of the great possibilities for cooperation between us, it is of little importance unless our respective economic policies take into account the interests of the other.

We fully understand and respect your industrialization policy and we are making every effort to adapt to it. We recognize in particular that many Canadian firms doing business in Brazil must gradually shift their emphasis from selling, to a greater involvement in the development of the Brazilian economy through technical, industrial and financial cooperation with Brazilian companies.

In order to finance such projects, the Canadian Export Development Corporation has been and will continue to be ready to provide short and medium term insurance, as well as long term financing and foreign investment insurance. At present it has \$183 million committed to Brazil.

We do not expect the benefits of our association to flow in only one direction. The Canadian Market remains one of the most open in the world and we are prepared in the Multilateral Trade Negotiations to agree to further liberalization. Moreover, our General Scheme of Preferences provides special tariffs on a wide range of your goods.

We hope that, on your side, you will take our mutual interests into account in developing your economic policies. We hope that you, through your policies will help us adapt to the new reality of cooperative ventures with Brazilian companies. We hope that you will encourage Canadian consulting firms to contribute their experience and their technology to the development of your vast frontier.

If we both can have the imagination and the initiative necessary to break out of traditional moulds of thought and trade; if we can keep our great mutual interest in mind in formulating our policies, we can, I believe achieve great benefits. The opportunity is there. Let us grasp it.

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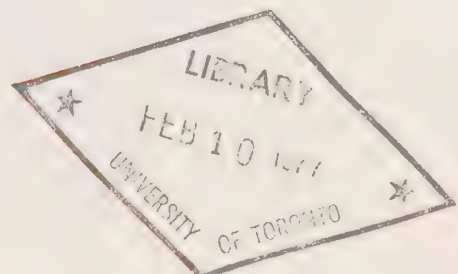
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SECRETARY
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SECRÉTAIRE
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NOTES FOR A SPEECH TO BE
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SECRETARY OF STATE FOR
EXTERNAL AFFAIRS OF CANADA,
THE HONOURABLE DON JAMIESON,
AT A DINNER GIVEN IN HONOUR
OF THE FOREIGN MINISTER
OF PERU, HIS EXCELLENCY
JOSÉ DE LA PUENTE,
LIMA, PERU, JANUARY 20, 1977



Your Excellency, Senora de la Puente, Ladies and Gentlemen,

We have, I think come to the end of a very successful visit, successful, not only in what it has accomplished in discussions held and projects concluded, but, also successful in very human terms. I must thank you for the cordial welcome you and your Government have given to all of us. The warm hospitality and friendship that we have received since we first arrived on Peruvian soil has been for us a concrete indication of the significance you attach to our relations.

I do not wish to bore you, Excellency, or members of the audience, with an exhaustive enumeration of all the agreements we have reached or announced in the fields of cooperation and trade. These we have discussed amply at our press conference this afternoon. I will say this however, they demonstrate how close our relations have become in the economic field as a result of the considerable efforts of both sides in the last few years. What has been a new dimension on this trip, and what I have particularly enjoyed, have been the wide ranging political discussions we have held. Throughout our conversations, I have appreciated your clarity and your openness. I might add as well your experience, for while we have both been Foreign Ministers but for a short while, I must consider myself a neophyte when I look at your own eminent diplomatic career. You combine a distinguished academic record with a thorough grounding in all the important branches of international affairs.

I have been especially pleased at the results of this visit, for we had intended it to be one of substance. As an earnest of our intentions to develop our relations with you in all areas to the fullest extent possible, I brought with my my colleague, Mr. Marcel Prud'homme, Chairman of the Committee on External Affairs and National Defence of the House of Commons, as well as an extensive delegation representing the Canadian business community and several government departments. In addition, several journalists have accompanied us. I am pleased you have had an opportunity to meet these representatives. As you see from the size and seniority of our delegation, Your Excellency, we take our relations with Peru very seriously indeed.

In strengthening our relations with you, we also consider we have promoted the cause of inter-American cooperation. If I had given this speech a few years ago, I might not have included such a reference for we are, I admit, relatively late converts to the inter-American idea. Canada has had a historical evolution that has set us somewhat apart from most of the other nations in the hemisphere. It has never known a revolution and therefore has never had a break in the continuity of its cultural ties with Europe. These cultural ties, furthermore, have been especially strong, because of the existence in Canada of two principal European languages that have allowed us to draw on the richness of two European cultures. In saying this I cannot claim that we can draw on the same richness of cultural influence as you with your blend of European traditions and ages old indigenous civilizations.

Out of our diversity of influences, both American and European, we have managed in Canada to construct a society that owes something to all of its sources, but at the same time contains much that is original. We are, at the same time, a federation and have a parliamentary system of government. We have a mixed economy in which private and public companies exist side by side and in which the Government plays a major role in influencing the pace of development. We have established a Foreign Investment Review Agency which allows new foreign investment or foreign acquisition of existing Canadian firms only where the investment or acquisition can be considered to be a significant benefit to Canada.

If our unique historical evolution led us in the past to neglect the hemispheric dimension of our relations, there came a time, Your Excellency, when we recognized at last the need to diversify our foreign policy, to reach out and to strengthen our ties with the rest of the hemisphere. We realized that we had to balance the rich, extensive and, I must emphasize, satisfying relations we enjoy with the United States by expanding our economic, cultural, scientific and political contacts with the other major regions of the world.

Latin America is for us a key area, together with the European Economic Community and Japan, in the pursuit of this policy. Since we took the decision in 1970 to strengthen our links with the other countries of the western hemisphere, we have appointed an Ambassador as our Permanent Observer to the Organization of American States, we have become members of the Inter-American Development Bank to which we have pledged or committed \$300 million, we have finished joining all the significant specialized agencies of the OAS, we have established a number of bilateral aid programs throughout the area and we have provided the Andean Pact with aid to finance integration studies.

In principle, Canada supports any moves in Latin America towards economic or political cooperation. For this reason, we have been a member for some time of the UN Economic Council for Latin America; we shall continue to support the Andean Pact; and we have offered to cooperate in the technical development projects of SELA.* We are willing to look once again at the question of Canadian membership in the OAS once the Organization has decided what its future role should be.

If our interests in inter-American affairs is relatively recent, our relations with Peru are for our standards quite old. For you are one of the countries with which we established relations, when in the days of the Second World War, we began to expand our foreign policy beyond the narrow confines of the pre-war years. In the period of rapid change that you have traversed since your revolution of 1968, you have always enjoyed our sympathy, respect and understanding. We have tried to make our understanding for this humanist revolution manifest in a number of ways.

In the first year of our bilateral aid programmes in Latin America, 1972, we began in Peru. It is with Peru now, that we have one of our largest assistance programs in Latin America. We are pleased at the way in which our gestures of friendship have met with a welcoming echo from you, and our ties have grown and developed for several years. We are especially happy at the way in which our trade has grown. From 1970 to 1975 our exports to Peru have almost doubled, while our imports have almost tripled.

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*Latin American Economic System

During the past year and a half, our relations have been especially active. In September 1975 we were happy to welcome a senior trade mission from your country. As a result of this visit, we agreed to discuss projects involving up to \$300 million in credits from the Export Development Corporation. In March of 1976 the President of the Canadian International Development Agency visited here to discuss ways in which we could cooperate for development on an equal basis, especially in joint ventures. In June of last year, the Assistant Deputy Minister of Industry, Trade and Commerce led a Canadian trade mission here to consider some of the projects that had come up during the visit of your trade mission to Canada the previous September. Now I have come to build on what has been done in the past and to prepare for the future.

As I indicated at the beginning of this talk the object of my visit is to develop our relations in a variety of areas, both political and economic, on a sound long term basis.

We want to achieve a better understanding between us of our respective views and questions related to a new economic order. We have long respected Peru as an influential advocate of the desire of the developing countries to obtain a more rapid transfer of real resources in order to accelerate their pace of development. We are in a good position to understand the aims of the Third World, for we depend for much of our livelihood on the export of commodities. At the same time, we are also dependent on the import of other commodities, such as petroleum and tropical products, thus, we can understand the need for having commodity arrangements that meet the needs of the consuming, as well as of the producing countries. As the co-chairman for the industrialized nations at the Conference on Industrial Co-operation, we have been working closely with Sr. Perez Guerrero of Venezuela to bridge the gap that at present separates the developed from the developing nations.

At the Multilateral Trade Negotiations in Geneva, we have also worked to help the resource exporting countries with our proposal of a complementary negotiating technique known as the "sector approach". Our proposal is designed to provide better opportunities for these countries to produce and market abroad both highly processed commodities, as well as raw materials, and, in this way, to achieve a higher degree of industrialization.

If we respect in you an authentic voice of the aims of the Third World in North/South affairs, we look upon you as a close ally in questions relating to the Law of the Sea. We are well aware that it was Peru that pioneered the concept of the 200 mile zone.

As we become progressively more engaged in the affairs of this hemisphere, we wish to have your views on the complex questions of inter-American relations. We are particularly interested in your views on the evolution of such inter-American organizations as the Organization of the American States, the Latin American Economic System and the Andean Pact.

We are also glad of the opportunity to hold consultations with you on the way in which we can adapt our cooperation for development to changing circumstances.

Although we have a wide range of interests it is, I suspect, in economic affairs where there is the greatest potential for cooperation between us. In saying this, I recognize that both our economies are at present passing through periods of adaptation, and that, as a consequence, our trade may not develop as fast as it has recently. In the long run, however, I am convinced that the possibilities for a close cooperation in this area are considerable, because of the parallels in our patterns of economic development. In both countries, we have faced problems of attempting to develop with inadequate financial resources, a relatively small domestic market and an often hostile nature, enormous territories enclosing substantial wealth. To do this we have had to respond in a similar manner. We both have had to develop or acquire the organization, the technology, and the infrastructure necessary to open up our vast territories, to realize their potential in hydro electric power, in raw materials and in agriculture. Because of the similarity of our patterns of development we, in Canada, are leaders in the technology that you require in many areas for the development of your economy and your infrastructure, and we are happy to cooperate with you.

We do not expect, however, our collaboration to be only in one direction. The Canadian market remains one of the most open in the world. Our general scheme of preferences provides special tariffs on a wide range of your goods. We are prepared in the Multilateral Trade Negotiations to agree to further liberalization. We hope that on your side you will take our mutual interests into account in developing your economic policies.

The possibilities for cooperation between us in a wide gamut of areas, therefore, are considerable. In the exchange of visits between our two countries over the last eighteen months, we have together laid a solid ground work for growth in our cooperation. I have been pleased, Your Excellency, at the way in which we have been able to build on these solid foundations in our talks here. My confidence in the enormous potential in our relations is considerable. You may be sure that we in Canada shall continue to work to make these prospects a reality.

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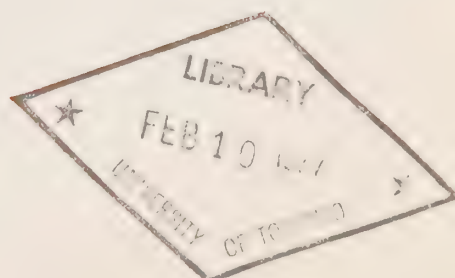
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MINISTER OF FOREIGN AFFAIRS OF COLOMBIA,
HIS EXCELLENCY INDALECIO LIEVANO
ON JANUARY 24, 1977



I should like to thank Your Excellency for your warm words of welcome, your very gracious remarks about my country and your flattering references to me. Your remarks about me were especially kind, coming as they do from a man who is not only one of Colombia's major political leaders, but also a skilled diplomat and a leading intellectual. Indeed, your interests, your knowledge and your activities are so all encompassing that you are more a man of the Renaissance than of our own time, with its narrow specializations and limited interests. You are a doctor of law and economic sciences; you have served abroad in your country's foreign service; you have been a journalist; you have been elected to both Houses of Congress and in the midst of all these other activities, you have found the time to establish an international reputation as a historian. Your biography of President Rafael Nunez is a book that professional historians of Latin America in Canada consider essential reading.

I also appreciated Your Excellency's references to the good relations that exist between Canada and Colombia. I might add that the warm hospitality that we have received since we first arrived on Colombian soil has been for us a concrete indication of the significance that you attach to these relations. In a sense, however, I consider that our relations are more than good, they are relations of empathy for we both are democracies concerned with the essential values of political liberty and personal freedom; we have similar social values and we both have played a moderate and constructive role in international affairs. It is because of these bonds of friendship, respect and understanding that I have come here today, for we wish to establish closer relations with you in all areas to the fullest extent possible.

As an indication of our intentions to do so, I have brought with me an extensive delegation representing the Canadian Parliament, the Canadian business community and several government departments. In addition several journalists have accompanied us. I have with me Mr. Marcel Prud'homme, Chairman of the Committee on External Affairs and National Defence of the House of Commons; Mr. Gary German, Chairman of the Executive Council of the Canadian Association for Latin America and Special Assistant to the Executive Vice-President of Noranda Mines Limited; Mr. Frank Clark, Executive Director of the Canadian Association for Latin America; as well as senior representatives of my own Department, the Department of External Affairs, the Department of Industry, Trade and Commerce, the Canadian International Development Agency, the Department of Agriculture and the Export Development Corporation of Canada.

You have well earned your reputation as the Athens of the Americas. You have been able to produce generation after generation of brilliant intellectuals who have been open to the world and have been able to take the best it has had to offer. Both you and President Lopez have in your writings and in your political actions demonstrated a great concern for the social conditions of the average citizen. The Colombia Institute of Social Security antedates the Canadian Medicare programme. The social values that underlie President Lopez' income tax reform and the substantial extensions that have been made to the services of the Colombia Institute of Social Services are ones that have their counterparts in Canada as well.

We, for our part, have benefitted enormously from two cardinal factors in our history - first, that we have never suffered the disruption of our cultural ties with Europe, and second that we possess in Canada two principal European languages and thus we have been able throughout our history to draw from the riches of two European cultures as well as on the drive and the innovations of this hemisphere.

While we have greatly benefitted from diversity of influences available to us, we have been only able to draw on these sources, and maintain the country open to the winds of change that are sweeping the planet because of our commitment to the principles of an open society. Our deeply rooted respect for democratic freedoms and human rights has also been for us a means of dealing most effectively with the linguistic, cultural, regional and social differences within Canada. I would be less than frank with you if I did not admit that it has not always been easy for us to maintain these principles. We have suffered from the stresses and strains that have arisen from the accelerated pace of history in our time. Nevertheless, we are firmly of the belief that the open society, with all the risks that it entails, is, in the long run, the only way of successfully achieving change in stability, as well as promoting unity and prosperity.

As you have written, Your Excellency, Bolivar's vision of a united Hispanic America that would gradually overcome the natural and understandable tendencies towards fragmentation in Latin America has found one of its clearest expressions in the Andean Pact. In principle Canada supports any moves in Latin America towards economic or political cooperation. We have been for this reason a member for some time of the U.N. Economic Council for Latin America; we shall continue to support the Andean Pact and we have offered to cooperate in the technical development projects of SELA (Latin American Economic System); we are willing to look once again at the question of Canadian membership in the OAS (Organization of American States) once the Organization has decided what its future role should be.

At the same time, we attach major importance to bilateral relations, adapted in each case to the specificity of each country. Our desire for closer relations with Colombia is an expression of our belief that the parallels in our development, the common values that we share and the resultant empathy that we have for each other has created a potential for closer collaboration that we should exploit. We are interested in your views on a variety of questions of international relations. In your biography of President Rafael Nunez, Excellency, you place great emphasis on the need for the governors and the governed to recognize the importance not only of rights but also of responsibilities. It seems to me that Colombian foreign policy reflects this attitude in its moderate, thoughtful and balanced approach to the great international issues of the day, such as inter-American relations, the North/South Dialogue, and the Law of the Sea. We look upon Colombia because of its democratic traditions as one of our major interlocutors as we become more progressively involved in the affairs of the hemisphere. We are glad of an opportunity to compare views with you on the evolution of the OAS and the Andean Pact, and the development of SELA.

Outside the framework of the western hemisphere and in the further context of the world at large, we see in you a country that is very much a part of the west, but one whose pattern of development allows it to understand the aspirations of the third world. We too are in a good position to appreciate the aims of the developing countries, because we depend for much of our livelihood on the export of commodities. At the same time, we are also dependent on the import of other commodities, such as petroleum and tropical products, thus, we can understand the need for having commodity arrangements that meet the needs of the consuming, as well as of the producing countries. As the co-chairman for the industrialized nations at the Conference on International Economic Co-operation (CIEC), we have been working closely with Sr. Perez Guerrero of Venezuela to bridge the gap that at present separates the developed from the developing countries.

At the Multilateral Trade Negotiations in Geneva, we have also worked to help the resource exporting countries with our proposal of a complementary negotiating technique known as the "sector approach". Our proposal is designed to provide better opportunities for these countries to produce and market abroad both highly processed commodities, as well as raw materials and, in this way, to achieve a higher degree of industrialization.

We have had development cooperation with Colombia since we first began our bilateral assistance programmes in Latin America in 1972. It is here that we have one of our largest programmes in the region. The International Development Research Council of Canada has its Latin American headquarters in Bogota. It has

sponsored several projects in Colombia, notably at the Centre for Tropical Agriculture in Cali. The Canadian University Service Overseas has many volunteers working here. Other non-government organizations such as the Canadian Foster Parents Plan are also active in Colombia.

Although we have a wide range of interests, it is, I suspect, in economic affairs where there is the greatest potential for collaboration between us. Because of the similarities of our patterns of development, we in Canada are at the forefront of technology in many areas that interest you for development of your economy and infrastructure.

Furthermore, the Export Development Corporation of Canada can provide the credits you need. We are ready to cooperate with you in developing your agriculture. Our companies can work together with you in constructing your hydro-electric dams, in supplying your generators and in building your long distance transmission lines. They can cooperate with you in building your airports and in providing aircraft and engines adapted to the rigours of the frontier such as short take-off and landing aeroplanes. They are ready to cooperate with you in expanding your network of railways even further into new territory, in enlarging your urban transit system, in widening your telecommunications network and in erecting your pulp and paper mills. They are willing to cooperate in exploring for natural resources, whether minerals or oil, whether on land or under the sea, in extracting them, and then in refining them.

We do not expect our cooperation to be only in one direction. The Canadian market remains one of the most open in the world. Our general scheme of preferences provides special tariffs on a wide range of your goods. We are prepared in the Multilateral Trade Negotiations to agree to further liberalization. We hope that on your side you will take our mutual interests into account in developing your economic policies.

In essence, Excellency, there is between us a rich array of possibilities that remain to be explored. We are friends, we share the same values; let us also become closer partners in international affairs, partners in cooperation for development and partners in economic affairs, for we have much to offer each other.

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MARCH 13, 1977



STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.

NOTES FOR A SPEECH BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, THE HONOURABLE
DON JAMIESON,
TO THE B'NAI BRITH, TORONTO
MARCH 13, 1977

LADIES AND GENTLEMEN:

IT GIVES ME PARTICULAR PLEASURE TO BE SPEAKING FOR THE FIRST TIME TO A MEETING OF THE B'NAI BRITH, AS SO MANY OF MY PREDECESSORS HAVE DONE BEFORE ME. I AM TOLD THAT THE TORONTO REGIONAL COUNCIL ACTS AS A CO-ORDINATING GROUP FOR 28 B'NAI BRITH LODGES TOTALLING AROUND 4,000 MEMBERS. THAT IS IMPRESSIVE AND EXPLAINS AT LEAST IN PART WHY YOUR ASSOCIATION HAS BEEN ABLE TO MAKE SUCH A CONTRIBUTION ON ISSUES OF CONCERN TO THE CANADIAN JEWISH COMMUNITY BUT ALSO ON ISSUES TOUCHING ALL CANADIANS. I AM THINKING IN PARTICULAR OF YOUR EFFORTS TO PROMOTE HUMAN RIGHTS, AND TO OPPOSE DISCRIMINATION AND BIGOTRY, BUT I AM VERY MUCH AWARE OF WHAT THE "SONS OF THE COVENANT" DO AND HAVE BEEN DOING SINCE 1875, WHEN THE FIRST LODGES WERE ESTABLISHED IN TORONTO, IN A NUMBER OF IMPORTANT AREAS RELATED TO COMMUNITY SERVICES SUCH AS YOUTH PROGRAMMES, HOMES FOR THE AGED, CONSTRUCTION OF HOSPITALS, ETC.

LET ME SAY HERE HOW WE WERE ALL SHOCKED AT THE RECENT HOSTAGE-TAKING INCIDENT INVOLVING, AMONG OTHERS, YOUR SISTER ORGANIZATION IN WASHINGTON. SUCH SENSELESS TERRORIST-LIKE ACTIVITIES ARE ABHORENT. I AM SURE YOU WERE ALL RELIEVED, AS I WAS, TO HEAR THAT THE INCIDENT IS NOW OVER.

THIS MORNING I PROPOSE TO SHARE WITH YOU SOME IMPRESSIONS AND VIEWS ON TOPICS WHICH I KNOW ARE OF PARTICULAR INTEREST TO YOU.

THE ISSUE OF HUMAN RIGHTS IS COMMANDING SIGNIFICANTLY GREATER ATTENTION ON A GLOBAL SCALE, AND I RECOGNIZE AND APPRECIATE NOT ONLY THE CONSIDERABLE EFFORTS YOU ARE MAKING IN THIS FIELD BUT ALSO THE VERY SPECIAL MEANING OR RELEVANCE THIS HAS FOR MANY OF YOU. I CAN ASSURE YOU THAT YOUR CONCERN WITH THIS ISSUE AND THAT FELT BY MANY CANADIANS IS ENDORSED FULLY BY THE CANADIAN GOVERNMENT, AND WE ARE DETERMINED TO CONVEY OUR SENTIMENTS AND VIEWS IN THE CHANNELS OPEN TO US. YOU ARE AWARE, I AM SURE, OF THE ACTION TAKEN BY PARLIAMENT ON FEBRUARY 15 WHEN IT WAS DECIDED TO CONVEY TO THE GOVERNMENT OF THE SOVIET UNION THE DISAPPOINTMENT AND DEEP CONCERN OF THE CANADIAN PEOPLE AT THE ARREST OF CERTAIN PROMINENT SOVIET CITIZENS WHO WERE ENDEAVOURING TO ENSURE IMPLEMENTATION OF THE HELSINKI AGREEMENT. YOU MAY ALSO KNOW OF THE PERSISTENT MANNER IN WHICH WE HAVE SOUGHT TO RESOLVE INDIVIDUAL CASES OF FAMILY REUNIFICATION, MANY INVOLVING JEWISH FAMILIES. WHILE WE HAVE HAD SOME CONSIDERABLE SUCCESS ON THAT FRONT - MOST EASTERN EUROPEAN GOVERNMENTS HAVE MADE ATTEMPTS TO IMPROVE THE CURRENT SITUATION - WE BELIEVE MUCH MORE NEEDS TO BE DONE AND CAN BE DONE. LATER THIS YEAR WHEN THE PARTIES TO THE HELSINKI ACCORD MEET IN BELGRADE FOR THE FIRST FORMAL REVIEW, THE CANADIAN DELEGATION WILL SPEAK WITH CONVICTION AND WITH RESOLVE ON THE HUMAN RIGHTS ISSUE. IT IS AN AREA WE HAVE CONCENTRATED ON FROM THE BEGINNING AND WHICH WILL CONTINUE TO BE THE FOCAL POINT FOR OUR ACTIVITIES.

CANADIANS HAVE A RIGHT TO BE PROUD OF THE HUMAN RIGHTS CONDITIONS WE ENJOY IN THIS COUNTRY. WE HAVE NOT ACHIEVED PERFECTION YET BUT OUR EXCELLENT RECORD IN THAT AREA IS ONE OF OUR STRONGEST NEGOTIATING TOOLS. OUR REPRESENTATIVES TO THE HUMAN RIGHTS COMMISSION IN GENEVA AND IN VARIOUS OTHER UNITED NATIONS FORA HAVE THE RESPECT OF THEIR COLLEAGUES BECAUSE OF THE WELL ACCEPTED FACT THAT WHEN IT COMES TO CREATING A HEALTHIER WORLD CLIMATE OF RESPECT FOR HUMAN RIGHTS, CANADIANS DO NO ASK OF OTHERS WHAT THEY ARE NOT THEMSELVES READY TO DO AT HOME.

HUMAN RIGHTS IS AT THE CENTRE OF ANOTHER ISSUE THAT I KNOW IS OF MAJOR CONCERN TO YOU - THE ARAB BOYCOTT OF ISRAEL. WHAT IS OF PARTICULAR CONCERN TO THE GOVERNMENT, AS I AM SURE IT IS TO YOU, IS THE POSSIBILITY THAT AN INTERNATIONAL BOYCOTT DECLARED BY OTHER COUNTRIES FOR THEIR OWN PURPOSES MIGHT RESULT IN CANADIAN FIRMS OR INDIVIDUALS DISCRIMINATING ON THE BASIS OF RACE, RELIGION OR NATIONAL ORIGIN AGAINST OTHER CANADIAN FIRMS OR INDIVIDUALS OR THAT SUCH BOYCOTTS MIGHT HAVE OTHER DOMESTIC IMPLICATIONS PREJUDICIAL TO THE CIVIL RIGHTS OF CANADIANS.

I THINK I AM SAFE IN SAYING THAT THE GOVERNMENT'S POLICY TO COMBAT THE DISCRIMINATORY ASPECTS OF THE BOYCOTT HAS STRUCK A RESPONSIVE CHORD IN THE CANADIAN PUBLIC. I HAVE BEEN PLEASED BY THE SUPPORT I HAVE RECEIVED FOR MY STATEMENT IN THE HOUSE, ON OCTOBER 21 LAST YEAR, WHEN I OUTLINED THIS GOVERNMENT'S DETERMINATION TO DETER CANADIAN FIRMS AND INDIVIDUALS FROM COOPERATING WITH DISCRIMINATORY INTERNATIONAL BOYCOTTS AND THE MEASURES WE ENVISAGED TO THIS END.

THERE ARE LIMITS TO WHAT THE GOVERNMENT CAN DO. WE CANNOT PREVENT ANY CANADIAN BUSINESSMAN FROM DECIDING TO DEAL WITH ARAB COUNTRIES RATHER THAN WITH ISRAEL. NOR DO WE INTEND TO MAKE COMPLIANCE WITH AN ECONOMIC OR STRATEGIC BOYCOTT PUNISHABLE BY FINES OR IMPRISONMENT. WHAT WE CAN DO, HOWEVER, AND WHAT WE ARE DOING, IS TO TAKE EFFECTIVE STEPS TO DISCOURAGE CANADIAN COMPANIES FROM COMPLYING WITH THE BOYCOTT BY PUBLICLY CONDEMNING COMPLIANCE, WHICH WE HAVE DONE AND WILL CONTINUE TO DO, AND BY PENALISING COMPLIANCE, WHICH IS AT THE HEART OF OUR POLICY. THE GOVERNMENT'S POLICY HAS TEETH IN IT BECAUSE IN THE MIDDLE EAST IT IS EXTREMELY DIFFICULT TO DO BUSINESS WITHOUT THE KIND OF GOVERNMENT SUPPORT THAT WILL BE WITHDRAWN FROM ANY COMPANY COMPLYING WITH THE BOYCOTT.

SPEAKING CONCRETELY, IT MEANS THAT BY VOLUNTARILY COMPLYING WITH THE BOYCOTT, A COMPANY WILL AUTOMATICALLY DISQUALIFY ITSELF FOR EXPORT DEVELOPMENT CORPORATION INSURANCE WHICH IS, AS MANY OF YOU WELL KNOW, SO VITAL IN OBTAINING BANK CREDIT. FOR SUCH A COMPANY, EXPORT DEVELOPMENT CORPORATION FINANCING, WHICH IS PRACTICALLY A PREREQUISITE FOR EXPORTS OF CAPITAL GOODS, WILL NO LONGER BE AVAILABLE. LAST BUT NOT LEAST, SUCH A COMPANY WILL EXCLUDE ITSELF FROM THE KIND OF ASSISTANCE GENERALLY PROVIDED BY OUR TRADE COMMISSIONER

SERVICE. SUCH ASSISTANCE IS SOMETIMES A DETERMINING FACTOR IN DEVELOPING BUSINESS CONTACTS, ESPECIALLY IN THOSE COUNTRIES THAT DEAL THROUGH THE EXCLUSIVE CHANNEL OF GOVERNMENT PURCHASING AGENCIES.

THE GOVERNMENT'S POLICY HAS ONLY RECENTLY BEEN PUT INTO EFFECT AS A RESULT OF DIRECTIVES ISSUED BY THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE. I AM HAPPY TO REPORT, HOWEVER, THAT PRELIMINARY INDICATIONS FROM OFFICIALS OF THAT DEPARTMENT ARE THAT CANADIAN BUSINESSMEN ARE ANXIOUS TO ADHERE TO THE GOVERNMENT'S POLICY AND ARE SEEKING THE ADVICE OF OFFICIALS IN THE EFFORT TO AVOID ANY COMPLIANCE WITH THE KIND OF BOYCOTT CLAUSE THAT WE CONSIDER OBJECTIONABLE AND AGAINST WHICH OUR POLICY HAS BEEN DESIGNED.

BUT THE ARAB BOYCOTT AGAINST ISRAEL IS ONLY PART OF THE LARGER PROBLEM -- THE THIRTY YEAR WAR THAT HAS GONE ON, HOT AND COLD BY TURNS, BETWEEN ISRAEL AND ITS NEIGHBOURS. I DO NOT HAVE TO TELL YOU HOW ISRAEL NEEDS AND LONGS FOR PEACE AND SOLID RECOGNITION OF ITS LEGITIMATE PLACE IN THE AREA FROM ALL COUNTRIES OF THE WORLD, BUT PARTICULARLY FROM THE ARAB COUNTRIES THAT SURROUND IT ON ALL SIDES.

WHO CAN DOUBT THAT THE ARAB COUNTRIES ALSO NEED PEACE, THE LACK OF WHICH CONTINUES TO HOLD BACK THE SOCIAL, ECONOMIC AND CULTURAL DEVELOPMENT OF THE WHOLE AREA? FOR THE REST OF US, A MIDDLE EAST ALWAYS ON THE EDGE OF WAR POSES A CONTINUING AND SERIOUS THREAT OF A WIDER CONFLAGRATION. THE WORLD CANNOT AFFORD ANOTHER ARAB-ISRAELI WAR, BUT THAT IS EXACTLY WHAT THE WORLD IS LIKELY TO GET UNLESS A WAY CAN BE FOUND TO BRING ABOUT ARAB-ISRAELI PEACE.

BUT SUCH A PEACE CANNOT BE AT THE EXPENSE OF ISRAEL'S SURVIVAL. ANYONE WHO HAS VISITED ISRAEL AS I, LIKE MANY OF YOU, HAVE DONE TAKES BACK WITH HIM A VIVID IMPRESSION OF ISRAELI GEOGRAPHY AND PHYSICAL VULNERABILITY.

THE TREMENDOUS ACHIEVEMENTS IN EVERY AREA OF HUMAN ENDEAVOUR WHICH SO IMPRESS A VISITOR TO ISRAEL TAKE ON A NEW DIMENSION WHEN ONE CONSIDERS THAT MEN, WOMEN AND CHILDREN WHO BROUGHT THEM ABOUT HAD TO OPERATE UNDER STRINGENT SECURITY MEASURES AND UNDER THE PRESSURE OF DAILY TENSION. WHAT COURAGE! WHAT WILL TO SUCCEED AGAINST FRIGHTFUL ODDS! KNOWING HOW THE COUNTRY OF ISRAEL WAS BORN, IT IS NOT DIFFICULT TO UNDERSTAND THE DEPTH AND INTENSITY OF ISRAELI CONCERN TO ENSURE THAT A PEACE SETTLEMENT REALLY DOES PROVIDE THEM WITH THE SECURE AND RECOGNIZED BORDERS THAT THE UNITED NATIONS SECURITY COUNCIL CALLED FOR ALMOST TEN YEARS AGO.

OUR ULTIMATE GOAL IN THE MIDDLE EAST IS THE SAME AS ISRAEL'S -- A JUST AND LASTING PEACE IN WHICH THE WHOLE REGION CAN FLOURISH AND PROSPER TO THE BENEFIT OF US ALL.

CAN SUCH A PEACE BE ACHIEVED? WE CAN BE SURE THAT THE PATH TOWARDS A SETTLEMENT WILL BE LONG AND DIFFICULT, BUT ALL PARTIES, AND THE WORLD, RECOGNIZE THE URGENCY OF MAKING FURTHER PROGRESS TOWARDS THAT GOAL. WE CAN ALSO SEE, JUST POSSIBLY, A FEW HOPEFUL SIGNS TO SUGGEST THAT SOME PROGRESS MAY BE POSSIBLE:

(1) THERE IS A GENERAL RECOGNITION OF THE NEED FOR PEACE.

(2) THERE IS INCREASING EVIDENCE THAT ISRAEL'S NEIGHBOURS, STARTING WITH EGYPT, HAVE COME TO ACCEPT THE REALITY OF ISRAEL.

(3) EVEN AMONG SOME PALESTINIAN ARAB LEADERS, EXCEPT THOSE ON THE EXTREMIST FRINGE, THE POSSIBILITY OF ACCEPTING AND LIVING AT PEACE WITH ISRAEL IS NO LONGER AN UNTHINKABLE HERESY. THERE MUST BE A FORMAL AND PUBLIC COMMITMENT BY THE PALESTINIANS TO THESE GOALS. WITHOUT IT PROGRESS TOWARDS PEACE WILL REMAIN IN JEOPARDY. ON THE OTHER HAND, NO MIDDLE EAST PEACE SETTLEMENT WILL WORK FOR LONG UNLESS THE PALESTINIANS HAVE ACCEPTED IT.

(4) THE UNITED STATES REMAINS WILLING TO THROW ITS WEIGHT INTO THE EFFORT TO REACH A JUST AND LASTING SETTLEMENT. THERE IS EVERY REASON TO BE CONFIDENT THAT THE BRILLIANT DIPLOMACY OF DR. KISSINGER HAS BEEN SUCCEEDED BY EQUAL TALENT AND DETERMINATION FROM THE CARTER ADMINISTRATION.

(5) THE SOVIET UNION IS ALSO WILLING TO PLAY A MODERATING ROLE AND TO BE INVOLVED AS CO-CHAIRMAN IN EFFORTS TO REVIVE CONSTRUCTIVE NEGOTIATIONS AT A GENEVA CONFERENCE, WHICH HAS THE SUPPORT OF ALL PARTIES.

WHAT OF CANADA'S ROLE?

OUR EFFORTS IN PEACE-KEEPING ACTIVITIES OVER THE YEARS BEAR ELOQUENT WITNESS TO OUR CONCERN FOR PEACE AND OUR WILLINGNESS TO DO SOMETHING ABOUT IT. WE HAVE ALSO MAINTAINED OUR SUPPORT FOR THE PROVISIONS OF SECURITY COUNCIL RESOLUTION 242, WHICH WE HELPED TO WORK OUT TEN YEARS AGO, AND WHICH WE STILL CONSIDER THE MOST HOPEFUL BASIS FOR NEGOTIATIONS. IN PARTICULAR, CANADIAN POLICY PLACES FIRM EMPHASIS ON THE RECOGNITION WHICH IS BASIC TO 242, OF ISRAEL'S RIGHT TO EXIST AS AN INDEPENDENT AND SOVEREIGN STATE IN THE MIDDLE EAST.

AS MEMBERS OF THE SECURITY COUNCIL IN THE MONTHS AHEAD WE WILL CONTINUE TO URGE THESE POSITIONS AND TO DO WHAT WE CAN TO ENCOURAGE AN EARLY RESUMPTION OF NEGOTIATIONS, WHETHER AT GENEVA OR BY SOME RETURN TO THE SO-CALLED "STEP-BY-STEP" METHOD WHICH HAS ALREADY ACCOMPLISHED MUCH. WHERE WE SEE ONE SIDE OR THE OTHER ADOPTING POSITIONS OR POLICIES THAT SEEM TO US TO MAKE IT MORE DIFFICULT TO GET NEGOTIATIONS STARTED WE WILL SAY SO. WHERE WE SEE OPPORTUNITIES FOR PEACE WE WILL URGE THAT THEY BE PURSUED. WE SHALL CONTINUE TO URGE THE PARTIES TO EXAMINE ALL REASONABLE POSSIBILITIES FOR A SOLUTION THAT CAN BE DEvised.

WE SHALL ALSO CONTINUE TO OPPOSE BARREN EXERCISES IN PROPAGANDA OR RESOLUTIONS FULL OF EXAGGERATED AND INTEMPERATE CRITICISM OF ISRAEL WITH UNSUBSTANTIATED ALLEGATIONS AND UNREASONABLE RECOMMENDATIONS THAT DO NOT IN ANY WAY SERVE THE CAUSE OF PEACE IN THE MIDDLE EAST. CANADA AND TWO OTHER MEMBERS OF THE UN COMMISSION FOR HUMAN RIGHTS VOTED AGAINST A RESOLUTION OF THIS KIND LAST MONTH. HAD WE BEEN THE ONLY COUNTRY TO OPPOSE SUCH A RESOLUTION WE WOULD STILL HAVE VOTED THE SAME WAY.

WHILE WE MAY BE ABLE TO PLAY A CONSTRUCTIVE ROLE IN THE SEARCH FOR PEACE IN THE MIDDLE EAST IT WILL OBVIOUSLY NOT BE A MAJOR ONE. I DO PLAN HOWEVER TO ADD A PERSONAL DIMENSION TO THE CANADIAN ROLE BY VISITING ISRAEL AND PERHAPS A FEW OTHER COUNTRIES IN THE AREA LATER THIS YEAR - PROBABLY IN THE FALL. I LOOK FORWARD TO MEETING PRIME MINISTER RABIN AND TO RENEWING ACQUAINTANCE WITH FOREIGN MINISTER ALLON, WHO WAS ONE OF MY FIRST DISTINGUISHED COLLEAGUES TO VISIT CANADA LAST FALL AFTER I TOOK OVER THE EXTERNAL AFFAIRS PORTFOLIO. I REMEMBER THE VERY FRANK AND CORDIAL EXCHANGES WE HAD ON THAT OCCASION WHICH HELPED ME A GREAT DEAL IN ACQUIRING A BETTER UNDERSTANDING OF ISRAEL'S POLICY. A BASIC PREMISE OF CANADIAN POLICY IS THAT IT IS THE PARTIES THEMSELVES WHO MUST WORK OUT A PEACE SETTLEMENT. NATIONS OUTSIDE THE AREA CAN HELP. IN SOME CASES (AND I AM THINKING OF THE ROLE OF THE UNITED STATES IN PARTICULAR) THEIR HELP MAY BE CRUCIAL. BUT ONLY THE BELLIGERENTS CAN MAKE PEACE.

DIPLOMATIC EFFORTS TO MAKE THIS POSSIBLE ARE INTENSIFYING. WE HAVE HAD VISITS TO THE MIDDLE EAST BY UN SECRETARY-GENERAL WALDHEIM AND THE AMERICAN SECRETARY OF STATE. I SAW MR. VANCE TWO OR THREE WEEKS AGO AND HIS ASSESSMENT WAS ONE OF CAUTIOUS OPTIMISM. NOW ISRAEL'S PRIME MINISTER HAS VISITED WASHINGTON AND PRESIDENT SADAT OF EGYPT IS SOON TO DO SO. THE DIALOGUE IS GETTING STARTED AGAIN, IF ONLY INDIRECTLY SO FAR.

PERHAPS IT IS TOO EARLY TO BE AS OPTIMISTIC AS THAT. THE POSITIONS OF ISRAEL AND THE ARAB STATES ARE STILL VERY FAR APART -- NOTABLY ON THE QUESTION OF FRONTIERS AND THE POLITICAL FUTURE OF THE PALESTINIANS. THERE DOES HOWEVER SEEM TO BE A CONSENSUS THAT THE GENEVA TALKS SHOULD BE RESUMED LATER THIS YEAR, WITHOUT CONDITIONS IN TERMS OF WHAT COULD BE DISCUSSED. THE PARTIES ARE ALSO ANXIOUS FOR A PERMANENT AND COMPREHENSIVE SOLUTION, NOT MERELY INTERIM MEASURES.

GIVEN THIS CONSENSUS, A SHARED SENSE OF URGENCY AND A FELT NEED FOR PEACE, I THINK THE OPPORTUNITY IS WITHIN OUR REACH. THIS IS SOMETHING NEW AND IMPORTANT. WE MUST HOPE THAT THE OPPORTUNITY CAN BE SEIZED, FOR IT MAY NOT COME SOON AGAIN. MAY THOSE WHO CARRY THE GREATEST RESPONSIBILITY FOR PEACE BE EQUAL TO THE CHALLENGE THAT 1977 HOLDS UP TO THEM. THIS MUST BE THE HOPE OF ALL OF US IN THIS ROOM, AS FRIENDS OF PEACE AND FRIENDS OF ISRAEL.

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MARCH 14, 1977

STATEMENT DISCOURS

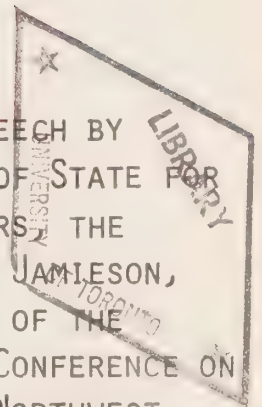
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SECRÉTAIRE
D'ÉTAT AUX
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Gouvernement
Canada

NOTES FOR A SPEECH BY
THE SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, THE
HONOURABLE DON JAMIESON,
AT THE OPENING OF THE
INTERNATIONAL CONFERENCE ON
THE FUTURE OF NORTHWEST
ATLANTIC FISHERIES, ON
MARCH 14, 1977



During these past cold winter months, I have been reading reports about fisheries negotiations held in such sunny spots as the Canary Islands and Los Angeles. Bearing that in mind, I am a little concerned about any promises made to entice you to Ottawa while the snow is still melting. You are very welcome in any case, and I hope you will enjoy your visit.

Both as Secretary of State for External Affairs and as a Minister from Newfoundland responsible to fishermen, I consider the work you are beginning today to be of the utmost importance. A new course is to be charted here which will have far-reaching effects in future multilateral cooperation in the field of fisheries. Over the past year, agreements have emerged which, to a significant degree, make clear the pattern for future bilateral fishery relations, based on the 200-mile zone concept which has developed within the Law of the Sea Conference. What is less clear, however, is what new forms multilateral fisheries cooperation will take now that the 200-mile zone has been adopted widely.

The December meeting of the International Commission for the Northwest Atlantic Fisheries (ICNAF) took an historic step when it voted to accept an amendment to the Convention that restricts the Commission's management authority to the area beyond national fisheries limits. A second amendment also provided for the Commission to offer scientific advice to coastal states upon their request. These interim measures were, in the Canadian view, essential first steps. The task before you now is to conduct a more comprehensive examination of future multilateral cooperation with regard to the Northwest Atlantic fisheries, building not only on the new jurisdictional realities but on new approaches and new relationships that take into account:

- the fact that in the Northwest Atlantic there are fish stocks outside 200 miles, beyond coastal state jurisdiction but linked in conservation terms and in fishing terms with the interests of the coastal state;
- the fact that multilateral fisheries arrangements in the Northwest Atlantic will be based not on an organization made up primarily of coastal states with interlinked management problems within their zones, but rather on an organization which seeks to develop useful cooperation between the few coastal state managers and the many nations with traditional fishing practices both within and beyond 200 miles;

- the fact that effective cooperation in the Northwest Atlantic fisheries will inevitably require both multilateral cooperation and bilateral cooperation, and that the two are interlinked.

This conference is being held outside the formal framework of ICNAF, but it has come about mainly because of the spirit of cooperation which has been displayed within the Commission. ICNAF, with all its weaknesses, was probably more successful than any other multilateral fisheries commission, and the lessons it has taught us must not be forgotten. Among its achievements, ICNAF performed a vital service in scientific research, and it would be wise to ensure that the high level of cooperation in science within ICNAF is not lost.

The new arrangements you negotiate may of necessity look somewhat different from those now in place. It seems necessary that new mechanisms be established to provide for scientific cooperation both within 200 miles, and for the management of fish stocks beyond the 200-mile limit. For Canada, it is also vital to ensure that the new arrangements take into account the special interest of the coastal state in areas outside but adjacent to its zone, and in particular to ensure that management measures for stocks outside 200 miles are consistent with those taken by the coastal state within 200 miles.

In conclusion, I do not believe that national management is incompatible with international cooperation. Coastal states now have the opportunity to manage the living resources of their new zones, but if this management is to be effective, it will be essential to maintain various forms of international cooperation and to develop new ones.

I wish you every success in the coming weeks.

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